DRAFT

eThekwini Built Environment Performance Plan 2017-18

March 2017

PART A - **Introduction**

REASONS FOR THE BEPP

[1]

The BEPP:

- Focuses on the Built Environment;
- Aims to integrate spatial planning tools and infrastructure implementation tools; and
- Enables the release by National Treasury (NT) of major Built Environment Grants based on the formulation of a clear plan that shows how the metro is going to achieve spatial transformation of marginalised areas and promote economic growth.

BEPP IN RELATION TO OTHER STATUTORY PLANS

Especially in the current constrained fiscal context, Metro's are nationally important in maintaining economic activity and stimulating new economic growth. On the social side, the Metro's are also nationally important because they are sites of major concentrations of social need.

To guide economic, social and environmental development, Metro's use several high-order tools, as well as numerous project-level tools. The IDP and the SDF [2] cover high-order thematic, institutional, and spatial planning. The Budgets and SDBIP deal with financing the IDP and SDF, and they set targets and monitor performance. The linkages between these four instruments tend to be weak. As a consequence, the outcomes and impacts that are sought at national or city level are not fully achieved.

The BEPP is an attempt to address some, but not all, of those weak linkages, by collating the built environment aspects of the IDP, SDF, SDBIP, and Capital and Operating Budgets into a single framework. The BEPP has a long-term planning horizon to 2030, with intermediate milestones in 2020 and 2025.

ENABLING THE DRAW-DOWN OF MAJOR BUILT ENVIRONMENT GRANTS

The BEPP is a requirement of the Division of Revenue Act (DoRA) for the draw-down of six Built Environment Grants, namely:

- USDG – Urban Settlements Development Grant;
- HSDG – Human Settlements Development Grant;
- PTNG – Public Transport Network Grant;
- NDPG – Neighbourhood Development Partnership Grant;
- INEP– Integrated National Electrification Grant; and
- ICDG – Integrated City Development Grant.

1 Guidance Note for the Built Environment Performance Plan (BEPP) 2016-17 – 2018-19

2 As set out by Municipal Systems Act and SPLUMA

These grants make up a significant percentage of the Capital Budget, especially the HSDG and the USDG. The PTNG contributes significantly to both the Capital and Operating Budgets. The intention of the municipality is to integrate and direct as much of the grant expenditure into the Prime Investment Corridor (PIC) recognising firstly that this will take a number of years to achieve and secondly that, in particular the USDG, is applied over large geographic areas (due to the grant framework requirements which emphasises service delivery to marginalised areas) and hence this grant expenditure is likely to reflect high levels of misalignment with the Prime Investment Corridor (PIC). However as much as possible of USDG funding will be allocated to Marginalised Areas abutting and in close proximity to the PIC.

Products of the BEPP include the identification of a pipeline of catalytic urban development projects within or close to the Prime Investment Corridor, as well as expressing development programs for informal settlements and marginalised areas which collectively will support the achievement of targets associated with building more productive, liveable, inclusive and sustainable cities.

The Built Environment Value Chain is based on the logic of having a direct link between planning, budgeting, implementation, urban management, reporting and evaluation.

EVOLVING FOCUS OF BEPP [3]

The BEPP's focus has expanded with each successive year:

- 2014-15 Identification and planning of Urban Networks and Integration Zones
- 2015-16 Identification and planning of Catalytic Projects
- 2016-17 Identification of Marginalised Areas & responses thereto and Further detailing of the Catalytic Projects
- 2017-18 Review of Integration Zones to reflect spatial targeting approach
    - Overcoming weaknesses as identified within the BEPP evaluation reports
    - Reflecting detailed planning & implementation of projects within the Prime Investment Corridor
    - Identifying employment & economic growth areas
    - Consolidating spatial planning, project preparation and prioritisation via transit-oriented development plans and programmes in prioritised integration zones
    - Establishing an actionable intergovernmental project pipeline via portfolio management and project preparation tools

APPROACH

The BEPP approach is to spatially target, integrate and align the spatial investment programs of the key sectors of the economy, transport and housing. [4] The BEPP is intended to be a reference point for national and provincial spheres and other key stakeholders to make informed decisions

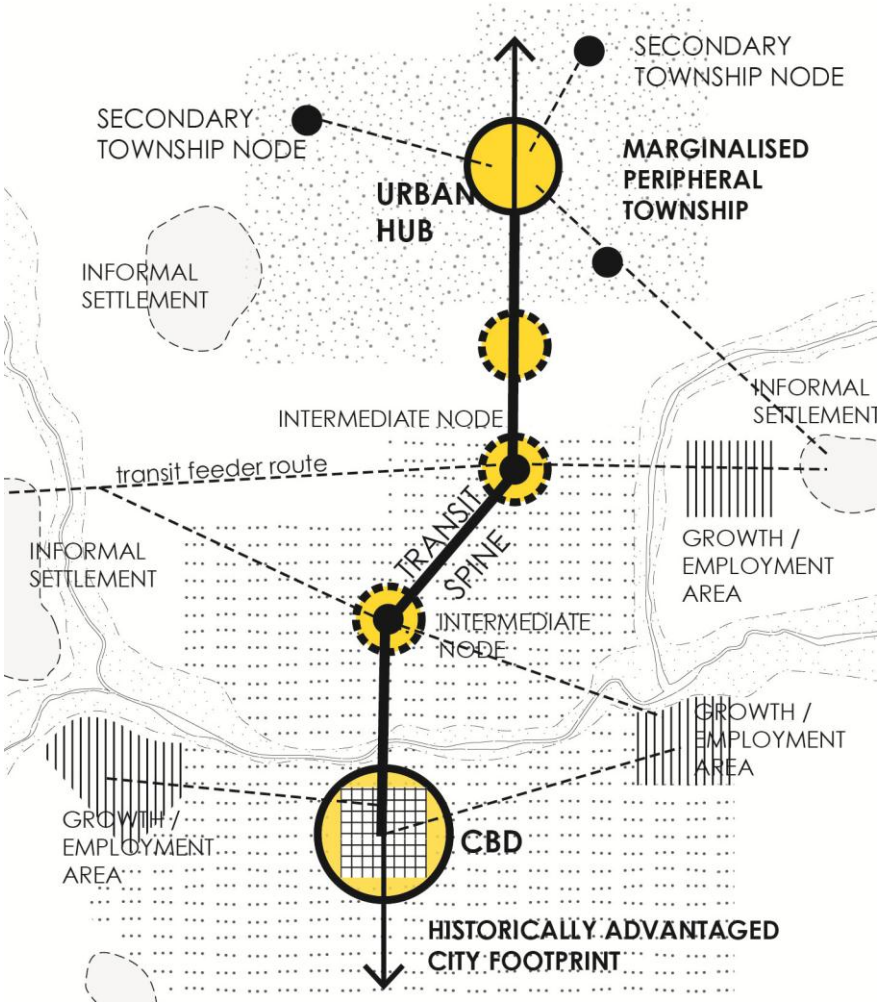
3 Guidance Note for the Built Environment Performance Plan (BEPP) 2016-17 – 2018-19. National Treasury. Nov 2015 UPDATE

4 Guidance Note for the Built Environment Performance Plans for 2014-15. National Treasury. Nov 2013 UPDATE

and investments in the built environment and for these sectors to align their budgets in support of positive metropolitan outcomes.

PUBLIC TRANSPORT CORRIDORS ARE THE LEVERS FOR CHANGE

The geographic shape of eThekwini has numerous negative impacts on especially the poor segments of our society including the peripheral location of both informal settlements and townships which results in long and expensive travel for the residents which erodes household budgets and increases time spent away from home and families. The reliance on public transport (rail and taxis) is significant and the service is often unreliable and unsafe. Access to social facilities is not easy and convenient. Many additional ills exist but the question remains how one can change this situation in an environment where the resources do not equal the need. In such a situation one needs to focus on levers that will bring about long term change. The public transport corridors are the levers for change. The provision of a reliable public transport service is in its first phases with the GO Durban project. What is required now is to focus our attention and resources around these corridors in order to effect spatial transformation. As a municipality, we must create higher density housing for mixed income groups alongside transport spines in order to bring poorer residents closer to the benefits of the urban area without creating ghettos. We must provide opportunities for employment close to these transport corridors to limit commuting time and cost. We must build social facilities close to these corridors to allow easy access to schools, clinics and hospitals, parks, community halls, libraries, government service points and the like. We must improve transport connections between marginalised areas, urban hubs and Central Business Districts (CBDs) and other growth/employment areas. This is the theory of change embodied within the BEPP and is represented below in diagrammatic form.



BEPP PREPARATION PROCESS

The BEPP preparation process follows the annual municipal integrated development planning and budget cycle, and culminates with Council approval. Accountability for preparing the 2017/18 BEPP rests with the City Support Programme Forum and its secretariat. The Forum represents a collective of key municipal entities, and is chaired by the Chief Strategy Officer, and enjoys the support of the eThekwini CSP Coordinator from NT. The Forum was deliberately and consciously

used as the internal institution to develop the BEPP. That rationale is that integration begins at home, and that collaborative and integrated analysis and decision-making will result in better-integrated development.

MILESTONES FOR PREPARATION OF THE 2016-17 BEPP

MILESTONE	DATE
Meetings of the City Support Programme Forum	Every three weeks
Engagements with departments to obtain BEPP inputs	multiple, ad hoc
Submission of the 1st Draft BEPP to the National Treasury stakeholders & place document on municipal website	31 March 2017
Comments on Draft BEPP	April & May 2017
BEPP Review & refinement to address comments from sector depts. & other IGR stakeholders & amendments to SDF, IDP and Budget	April & May 2017
Budget Benchmarking at National Treasury	6-12 May 2017
Presentation of Final Draft BEPP to Council Sub Committee and then EXCO	May 2017
Approval of BEPP, IDP, SDF and Budget at Full Council	End May 2017
Incorporation of BEPP Indicators into SDBIP	June 2017
Approval of BEPP indicators as per the SDBIP approval process by the Mayor	Mid-June 2017
Submission of the Approved BEPP to NT	30 June 2017
Share Final BEPP 2017/18 with IGR stakeholders & place on municipal website	3-7 July 2017

SUBSTANCE OF THE PLANNING ALIGNMENT OF BEPP, IDP AND SDF

The IDP is the highest-level policy document in the municipality and is structured into 8 Plans covering all areas of service delivery. The BEPP is an integral part of the IDP and the two documents are completely aligned in so far as the promotion of spatial transformation and economic growth are concerned.

Regarding alignment between the Spatial Development Framework (SDF) and the BEPP, there is a high level of accord between the spatial priorities of the SDF and the BEPP based on the maps below that were extracted from the SDF:

- Both plans give prominence to promoting economic growth, higher residential densities and mixed land uses along the IPTN transport routes C3 and C2 (a transit-oriented development approach);
- The Prime Investment Corridor incorporates most of the SDF Priority Urban Investment Areas (circled in red on the map below);
- Many of the Catalytic Projects within the BEPP (Category ‘A’ projects) further align with the SDF Priority Urban Investment Areas;
- Marginalised Areas are identified in the SDF and are geographically dispersed across the metropolitan area covering urban and rural locales. The BEPP prioritises a sub-set of these areas focusing on the marginalised areas closest to the IPTN in order to effect spatial transformation as rapidly as possible. The Marginalised Area responses from municipal line departments tends to be dominated by the Human Settlement Programme with other municipal departments providing a supporting, rather than guiding role. The current

prioritisation model within the Human Settlement Department prioritises its programmes according to the same logic as the BEPP. However, given historical project commitments, it will take some time to unwind the legacy of peripheral human settlement programmes; and

- There is divergence between the BEPP and the SDF regarding Rural Investment Areas since the BEPP is aiming to achieve spatial transformation in the densely settled urban area. Rural areas will no doubt receive budget despite not having a focus in the BEPP. This will also apply to lower level nodes/town centres that are reflected in the SDF. The principle of developing integrated programmes for implementation must apply to all municipal programmes across all geographic spaces. The fact that some areas do not get prominence in the BEPP, does not mean that they will not receive budget or will experience dis-integrated delivery.

The approach in the BEPP has been to describe the content of integrated municipal responses within the public transport-focused integration zone or Prime Investment Corridor and to suggest development yields, resourcing requirements, and likely timing i.e. to interpret the bulk of SDF Priorities into Strategies and high-level Program Descriptions for implementation by all municipal departments. In this sense, the BEPP is assisting the SDF by taking a large slice of the SDF priorities and elevating them to a corporate level within the municipality for budget allocation and implementation by all municipal departments.

IDP, SDF SPATIAL THEMES, SDF SPATIAL PRIORITIES

The SDF interprets the IDP into several Spatial Themes, which then, through a Planning Prioritisation Exercise, were translated into the current Spatial Priorities. These appear in the Draft 2017-18 SDF.

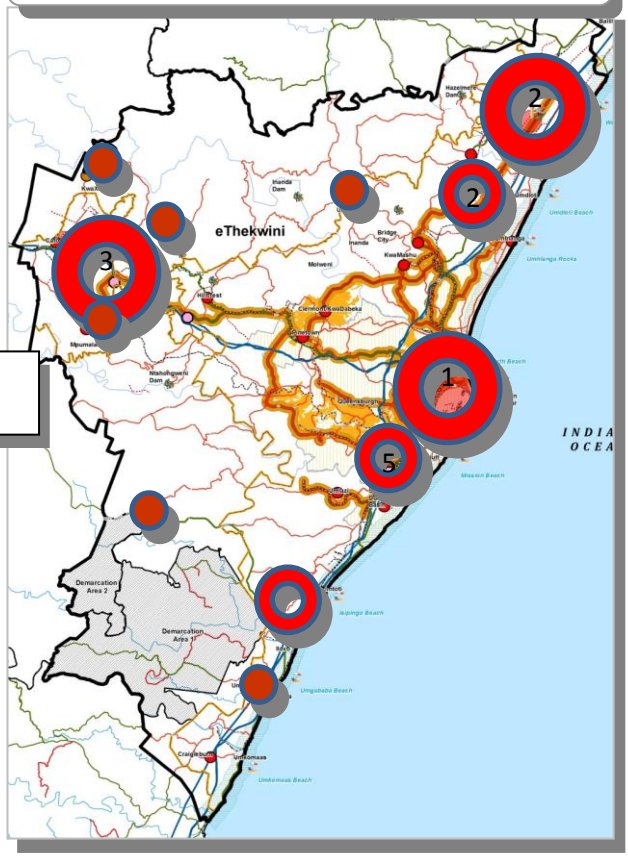
IDP

The IDP aims to realise the City Vision by "growing its economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities, in a city that they are truly proud of."

SDF SPATIAL THEMES

- Land Protection
- Integration & Restructuring
- Economic Growth
- Social Investment
- Infill, Densification and Renewal
- Optimal use of infrastructure Connectivity

THE SDF SPATIAL PRIORITIES



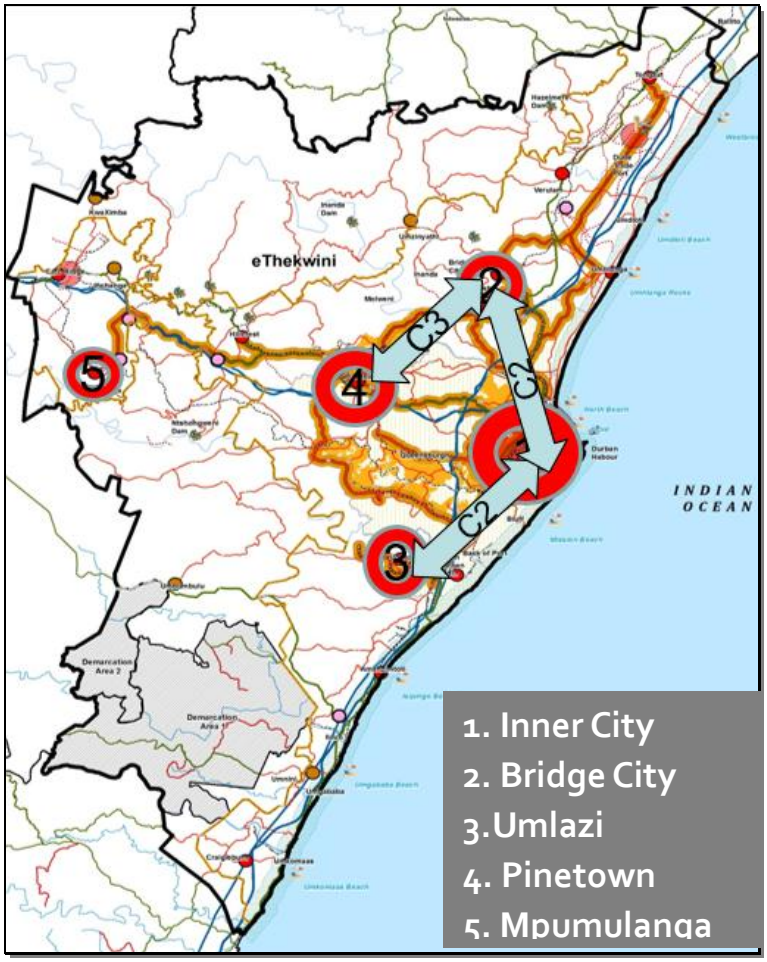
PRIORITY URBAN INVESTMENT AREAS

- Tongaat / Dube Trade Port and Surrounds / Cornubia (Aerotropolis)
- Inner City Regeneration
- Cato Ridge / Keystone / Hammarsdale (SIP2)
- South Illovo
- Port and Back of Port
- Land Uses to support IPTN/ Densification

PRIORITY RURAL INVESTMENT AREAS

- Mpumalanga
- KwaXimba
- Inchanga
- Mzinyathi
- Umbumbulu
- Umnini

THE SDF PRIORITY ToD NODES AND CORRIDORS



PROCESS FOR ALIGNING THE BEPP, IDP, SDF, AND BUDGET

Process update

The Spatial Planning & Land use Management Act (SPLUMA) requires that the SDF has a Capital Investment Framework (CIF) to show how the municipal budget is implementing SDF priorities. The BEPP is designed to link the IDP/SDF to the municipal budget. Given the large degree of overlap between the spatial priorities embodied within the SDF and BEPP, there will be a high degree of overlap within a budget programme designed to support the SDF and the BEPP.

eThekwini does not currently practice spatial budgeting in the sense that the budget process does not allow the SDF or BEPP to explicitly guide the budget allocations of municipal departments. Despite this, there is enough exchange of information within normal municipal business to allow for a reasonable alignment of budgets with the priorities expressed within the SDF and BEPP. The fact that the SDF and Package of Plans creates the land use envelope for development approvals is a major factor promoting some degree of alignment of the municipal budget and development priorities as expressed within the SDF. The alignment of grant funding conditions in support of the BEPP is a further contributing factor. Experience has however shown that the municipal departments work strongly within their own silos and there is a weakness in the management of

necessary integration across silos. The result is that some departments may prioritise their budgets according to IDP and SDF spatial priorities but other departments may spend their budgets in altogether different geographic locations. This often leads to the provision of a partial package of services by geographic location. Also, even if departments are aligned in terms of geographic priorities, the other weakness is temporal misalignment of budgets where departments allocate budget amounts to achieve implementation according to a timeframe that is different to other departments. This leads to inefficiencies and once again, to partial service delivery to the public.

The Office of the Chief Strategy Officer is currently in the process of designing an IDP/BEPP/Budget/Performance Management road map which will explicitly bring spatial targeting into the budgeting methodology. For the first time, this will ensure that the projects and budgets of municipal departments become aligned in geographic space and begin to be packaged in the form of programmes that are temporally aligned and that deliver integrated human settlements and public spaces as well as infrastructure & precinct management that support economic growth. A spatial budgeting tool is currently under investigation and discussions have been held with the service providers assisting Johannesburg and Tshwane metros. Formal institutional structures that promote collaboration between departments are also being investigated under the banner of transversal management within the City Support Implementation Plan (detailed later in this document) in conjunction with NT.

Outline of the key objectives of the IDP and SDF Reviews, including synchronisation of content with the BEPP

(FOR COMPLETION IN APRIL)

CONSOLIDATED PROCESS MAP AND TIMELINES FOR PREPARATION OF THE BEPP, IDP & SDF REVIEWS, AND THE MTEF

MILESTONE	DATE
IDP Process Plan Draft to Council	Sept 2016
Approval of Process Plan (SDF and IDP together with Budget)	Oct 2016
BEPP Drafting begins	Oct – Nov 2016
Preparation of Draft IDP and SDF	Oct 2016 – Jan 2017
Draft SDF sent to Council for Noting and Recommendation for Public Participation (60 days)	Feb 2017 – April 2017
First Draft IDP to Council for Noting and Submission to MEC Cogta	March 2017
First Draft BEPP to National Treasury stakeholders & place document on municipal website	30 March 2017
Public Participation of Budget, SDF and IDP – Comment period	April 2017
Regional and Ward Workshops on Budget, IDP and SDF	April 2017
BEPP, SDF, IDP assessment by sector Department	April 2017
BEPP Review to address comments from sector depts. & other IGR stakeholders	April 2017
Budget Benchmarking at National Treasury	6-12 May 2017
Incorporation of public participation comments	May 2017
Preparation of Final draft IDP, SDF and Budget	May 2017
Review of the Draft BEPP based on amendments to SDF, IDP and Budget & other inputs/comments received	May 2017
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KEY AREAS OF SPATIAL ALIGNMENT OF BEPP, IDP, SDF, AND BUDGET

(FOR COMPLETION IN APRIL ONCE SDF & BUDGET APPROVED)

SPATIAL ELEMENT	BEPP	IDP	SDF	CAPEX	OPEX
Prime Investment Corridor	X	X	X		
UNS – Primary Elements	X	X			
UNS – Secondary Elements	X				
Marginalised Areas	X	X			
HS Mega Projects	X				
Own Catalytic Projects	X	X	X		
IGR Catalytic Projects	X	X (SIP)			
Urban Management	X	X			

CONFIRMATION / GAP ANALYSIS OF THE INCORPORATION OF THE BEPP METHOD AND RESULTS INTO THE IDP, SDF AND BUDGET

(FOR COMPLETION IN APRIL)

ADOPTION OF THE BEPP BY THE MUNICIPALITY

The Draft BEPP 2017-18 is due to be presented to the Executive Committee in May 2017, and will run in parallel with the adoption process for the IDP 2017-18 and the SDF 2017-18. Extracts from the minutes of these proceedings will be availed once they have been published.

REFERENCES

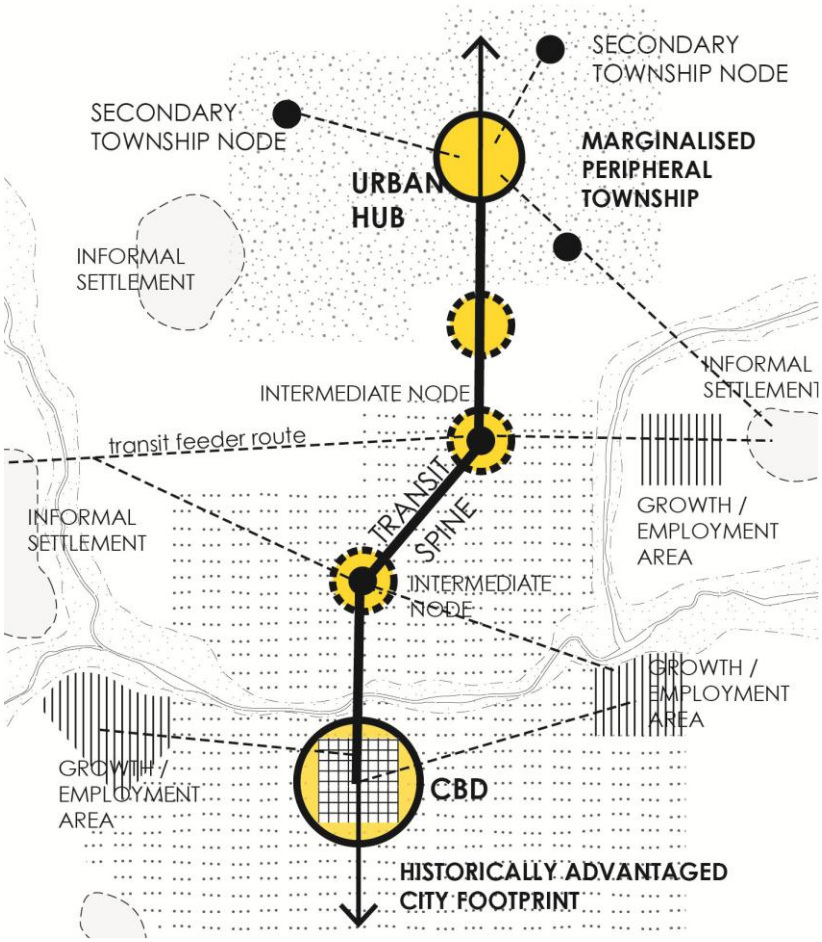
(FOR COMPLETION IN APRIL)

PART B – **Spatial Planning & Project Prioritisation**

PART B1 – CONCEPTUAL FRAMEWORK

PUBLIC TRANSPORT CORRIDORS ARE THE LEVERS FOR CHANGE

The geographic shape of eThekwini has numerous negative impacts on especially the poor segments of our society including the peripheral location of both informal settlements and townships which results in long and expensive travel for the residents which erodes household budgets and increases time spent away from home and families. The reliance on public transport (rail and taxis) is significant and the service is often unreliable and unsafe. Access to social facilities is not easy and convenient. Many additional ills exist but the question remains how one can change this situation in an environment where the resources do not equal the need. In such a situation one needs to focus on levers that will bring about long term change. The public transport corridors are the levers for change. The provision of a reliable public transport service is in its first phases with the GO Durban project. What is required now is to focus our attention and resources around these corridors in order to effect spatial transformation. As a municipality, we must create higher density housing for mixed income groups alongside transport spines in order to bring poorer residents closer to the benefits of the urban area without creating ghettos. We must provide opportunities for employment close to these transport corridors to limit commuting time and cost. We must build social facilities close to these corridors to allow easy access to schools, clinics and hospitals, parks, community halls, libraries, government service points and the like. We must improve transport connections between marginalised areas, urban hubs and Central Business Districts (CBDs) and other growth/employment areas. This is the theory of change embodied within the BEPP and is represented adjacent in diagrammatic form.



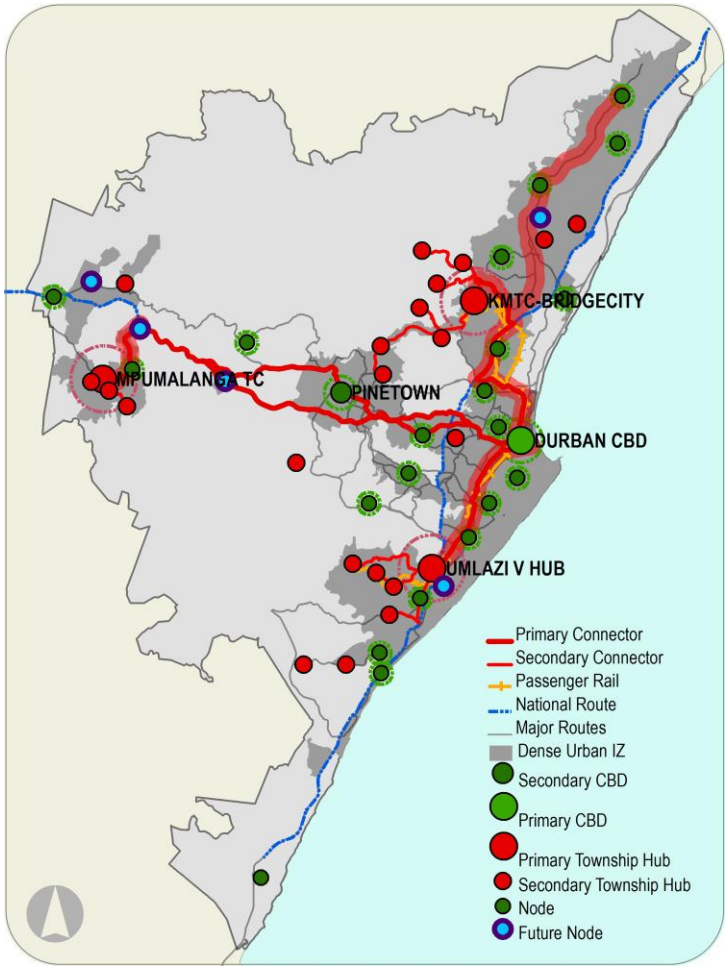
PRIMARY AND SECONDARY URBAN NETWORK

The Urban Network Strategy (UNS) is a spatial analysis tool that National Treasury [1] introduced to support the spatial targeting agenda. The Urban Networks Strategy is a transit oriented investment planning, development and management approach. Its focus is on spatial transformation to optimise access to social and economic opportunities for all, and especially the poor. It aims to work towards a more efficient urban environment that creates an enabling environment for economic growth and development. The eThekwini Prime Investment Corridor Integration Zone is substantially built around the UNS elements as they have been developed and applied within eThekwini.

Within the UNS there is a Primary Network and a Secondary Network.

Primary Network

The Primary Network is at city-wide scale and consists of anchor nodes, i.e. the CBD, a number of Urban Hubs, Public Transport Links and Activity Corridors between these anchor nodes.



Note: Need to modify map to show UNS elements in relation to Prime Investment Corridor & not Dense Urban- for April.

CBD

The CBD is the centre of the Urban Network.

Primary Township HUB

Primary Township Hubs are regional nodes in townships. They function as “town centres”. They are intended to be planned and developed as high-density, mixed-use precincts. There are three Primary Township Hubs, namely Mpumalanga, Umlazi, and INK.

At the core of the Primary Township Hub should be an efficient intermodal public transport facility and a system of public spaces. Land uses such as retail, recreation, offices, banking, community facilities and government services, hospitality, tourism, leisure, and high-density housing should ideally be located here.

1 NDP Key Terminology. National treasury, 2014

Activity Corridor

There should be an Activity Corridor to connect the CBD to Primary Township Hubs. It is a belt of land approximately 2 km wide adjacent to a Primary Public Transport link with a number of corridor nodes. The R102 is the Activity Corridor that links Umlazi to CBD and CBD to INK.

Nodes

Nodes are regional mixed-use activity centres, like the old town centres of Verulam, Amanzimtoti, and Cato Ridge. The CBD and Nodes are the subject of attention, either via the Catalytic Projects, or the NDPG Program, or via the municipal-funded Urban Renewal Program.

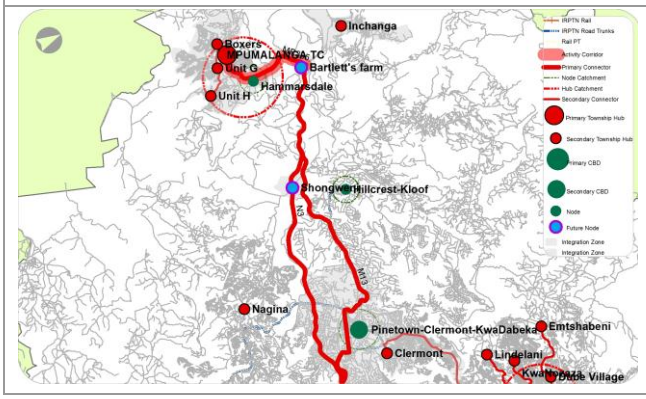
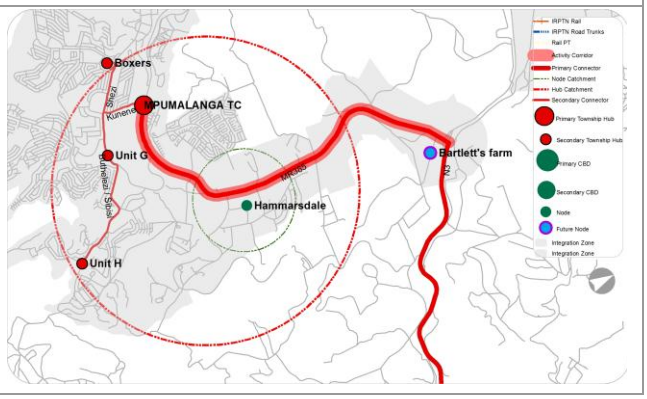
Secondary Township Hub

Secondary Township Hubs are mixed-use nodes within township areas and are directly linked to the Primary Township Hub by means of public transport.

Secondary Network

This refers to the network at the scale of the township or of a cluster of townships. It includes the Primary Township Hub, Secondary Township Hubs, and the connections between them.

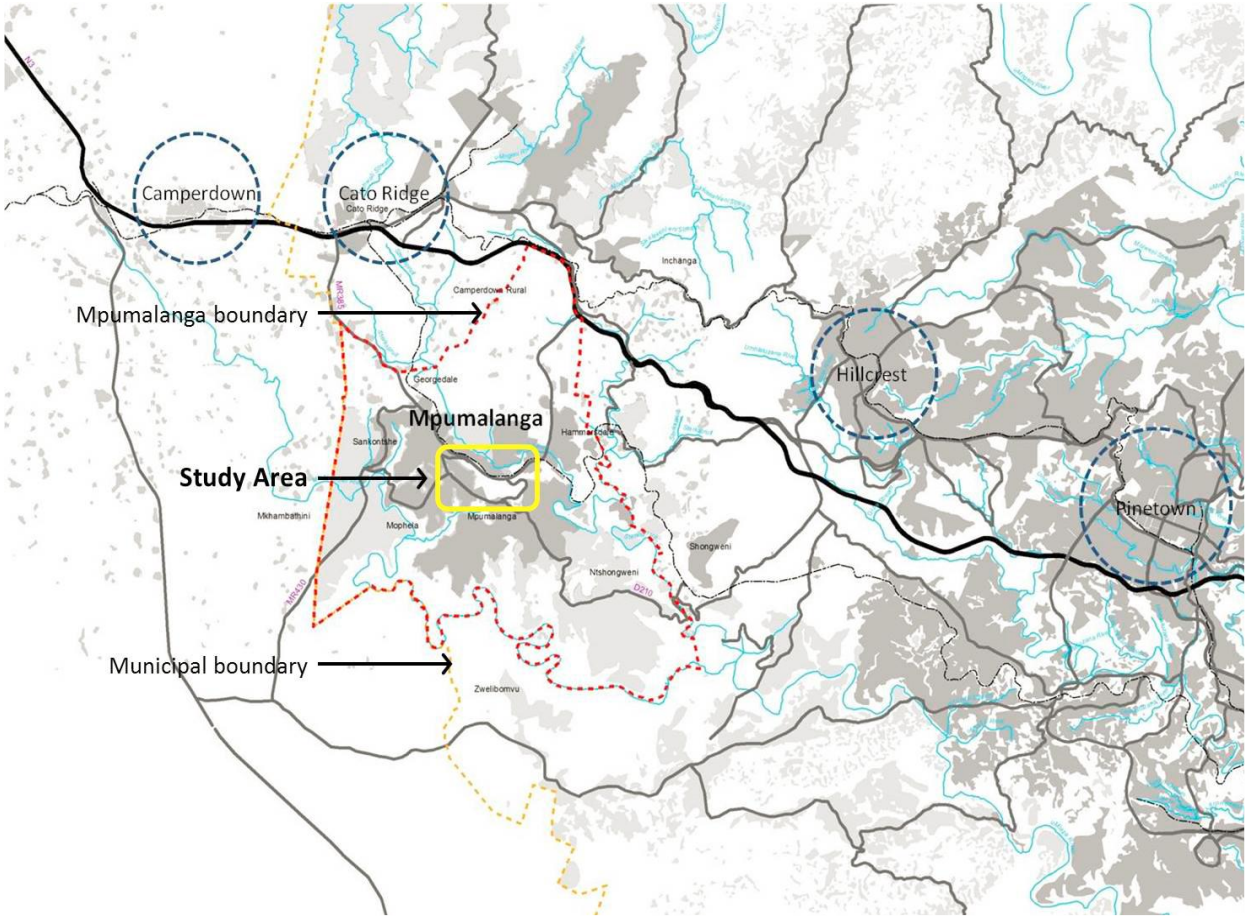
IMPLEMENTATION WITHIN MPUMALANGA

MPUMALANGA PRIMARY NETWORK	MPUMALANGA SECONDARY NETWORK
	

Project Preparation & Implementation

The study area for the project falls within the Mpumalanga local area, which is located within the Outer West planning region of eThekwini Municipality, approximately 45kmwest of the Durban CBD. Mpumalanga is one of six local planning areas in the Outer West region. The Mpumalanga

area is home to approximately 120,000 people, some of whom are settled formally either in urban villages or townships or on small agricultural holdings, but many of whom are settled informally in transitional, peri-urban and rural areas.



The TCP is located along MR385 (Mthoko Mkhize Drive) and incorporates the new shopping centre and areas proposed for a future civic services centre, fire station, residential and mixed use development. The majority of the study area is currently undeveloped but there are two major nodes, including the Mpumalanga shopping centre node and the Mpumalanga Unit G node, and some existing housing areas mainly at Mini-Town. The study area is defined by the Sterkspruit River in the north, Shezi Main Road in the south, by the edge of the residential area of Mpumalanga Unit A in the west and by the edge of Hammarsdale industrial area in the east. study area used for the previous MTCPP was approximately 325ha in extent and included the suburbs of Mpumalanga Unit G and Unit C-1 and parts of the suburbs of Mpumalanga, Mpumalanga Unit F, Sterkspruit, Hammers Estate and Moya. The revised study area has been increased to approximately 368ha, primarily to include additional lands associated with the existing KwaTandaza rail station to the northwest. The TCP includes a primary study area, which is the main focus for the urban hub, and a secondary study area.

The Mpumalanga TCP context faces a number of key implementation challenges:

- high levels of socio-economic need;
- limited private sector capacity and investment potential;
- constrained public resources and institutional capacity to deliver integrated projects;
- absence of a clearly defined shared vision amongst stakeholders for the development of the TCP;
- poorly developed precinct management agencies and tools; and
- lack of publicly owned land with the majority of land under ITB ownership.

These issues pose considerable challenges for effective implementation and precinct management and require concerted and strategic interventions from the Municipality and other stakeholders in order to address and overcome these challenges. The implementation approach for the Precinct Plan is based on a number of key tools and interventions that are considered necessary in order to initiate and/or consolidate development investment spatially within the TCP in a manner that will generate the structure, character and qualities of an urban hub and reinforce the sustainable economic growth objectives in the eThekwini IDP.

Proposed Lead Projects

The following Lead Projects have been identified as the basis for developing precinct project concept plans (this has been updated and refined from the lead projects identified in the PDP):

- Business Hives Centre and NMT/PT Access;
- Civic Services Centre and NMT/PT Access;
- Town Centre Public Park and NMT/PT Access;
- Kunene Avenue Mixed Use Development and NMT/PT Access;
- Mpumalanga High Street Mixed Use Development and NMT/PT Access; and
- Public Hospital/Community Health Centre and NMT/PT Access.

Business Hives Centre and NMT/PT Access

eThekwini Municipality is progressing a proposal to develop a business hive within the town centre along the Mpumalanga High Street (West) on the site previously identified for the fire station site. This proposal includes the following:

- an office and commercial component with 2 double storey buildings planned for commercial development at the entrance of the development;
- a hive centre which is a well-equipped multipurpose interactive centre with hot desk facilities and space for training and business support activities as well as admin space;
- multi-purpose mini manufactory and storage space with 2 double storey buildings, which form part of the subsidised incubator component; and
- all units are designed with ablution facilities, ramps, veranda space, adequate parking and wide road ways for potential heavier vehicle movement.

Business Hives Development 1
Pedestrian Bridge to Rail Station 2
Public Space 3
Civic Services Centre 4
Linkages to Civic Services Centre 5
BRT/PT Route 6
Landscaped High Street 7
Pedestrian Entrance to Business Hives 8
Mixed Use Development Opportunities 9
On-Street Parking 10
Built Form defines Street 11
Internal Courtyard/Parking 12
Pedestrian Linkages 13

The proposal for the business hive has considered a number of ownership and management models for the proposed development is eThekwini acting as Site Owner and Partial Developer. This provides for a gated, mixed use business hive.

The proposed land uses associated with the business hive have the potential to make a positive contribution to the development of a vibrant town centre use alongside the proposed Civic Services Centre site. Together with the proposed investment in the Civic Services Centre, this will create a significant new local node with the potential to provide the nucleus for the new town centre.

Civic Services Centre and NMT/PT Access

EThekwini Municipality is currently progressing a proposal to develop a Civic Services Centre along the Mpumalanga High Street (East). This proposal includes the following:

- social welfare department with a 930m^2 public concourse facing onto the public road
- Thusong centre (1,700m2 building) with a 1,580m^2 public concourse facing onto the public road and including traders‟ stalls;
- life sciences centre;
- youth/community youth centre;
- amphitheatre;
- proposed boardwalk link to the shopping centre and a bridge across the stream/wetland;
- on-site bus parking and basement car parking (including 1,160 m^2 for visitors parking and 1,320 m^2 for staff parking);
- bus laybye in front of the social welfare department and public concourse.

The proposed land uses and layout within the proposed development have the potential to make a significant positive contribution to the creation of an urban town centre. The attraction of activities and the provision of a public concourse and street facing buildings in particular will help to create active urban street edges within the town centre. The proposal also includes trading facilities as part of the public concourse, which will create opportunities for local traders in the area.

The proposed investments in the Business Hives and Civic Services Centre will create a significant new local node with the potential to provide the nucleus for the new town centre. The Civic Services Centre in particular will attract significant numbers of people, which in turn can generate opportunities for other support services and business uses in the area. These developments have the potential to provide a high level of management of the

area, increased activity and surveillance, improved security, etc. This has the potential to increase private sector confidence to invest in the area and capitalise on the concentration of activity in the area.

Town Centre Public Park and NMT/PT Access

EThekwini Municipality is progressing a proposal to establish a town centre public park along the stream open space corridor to the west of the Civic Services Centre. The public park will provide a future civic and recreational space within the urban hub that will act as a focal point for recreational, civic and social engagement for the local community.

Amphitheatre 1
Links to Civic Services Centre 2
Park Pedestrian Bridge 3
Town Centre Public Park 4
Pedestrian Edges to Park 5
Linkages to Kunene Avenue 6
Landscaped Avenue 7
Wetland Rehabilitation 8
Recreational Facilities 9
Built Form responds to Park 10
Pedestrian Bridge 11
BRT/PT Facility 12
Links to Market/Public Space 13

Kunene Avenue Mixed Use Development and NMT/PT Access

The Precinct Plan has identified Kunene Avenue as an important mixed use development spine, which together with the Mpumalanga High Street provide the main development axes to structure the growth and development of the town centre/urban hub heart. Kunene Avenue provides important gateways into the town centre from MR385 in the north and Shezi Main Road in the south. The Avenue also provides a key linking element that connects the northern and southern settlement areas of Mpumalanga as well as the

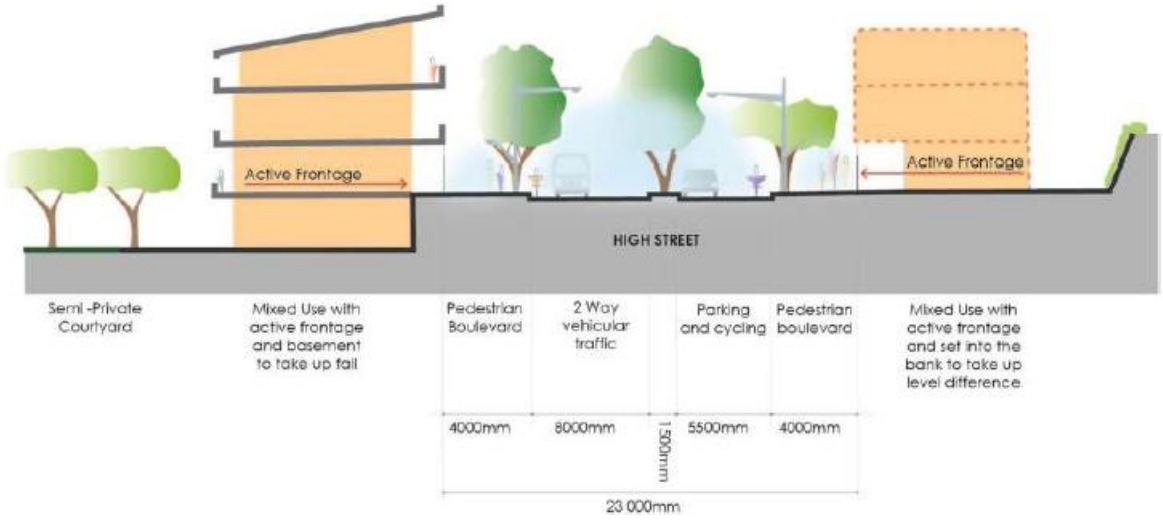
shopping centre, sports precinct and proposed rail station. Kunene Avenue has accordingly been identified for development and intensification as follows:

- Mixed use development with primarily commercial land uses at the northern end but including an increasing mix of residential uses along the central and southern segments;
- Conversion of existing residential uses along the western edge of Kunene Avenue to a greater mix of uses, including residential;
- Development of a market and public space at the junction between Kunene Avenue and Mpumalanga High Street with strong linkages to the town centre public park;
- Access to new/improved PT facilities along Kunene Avenue, MR385 and Mpumalanga High Street; and
- Improved NMT linkages with the shopping centre, proposed rail station and future town centre development to the east.

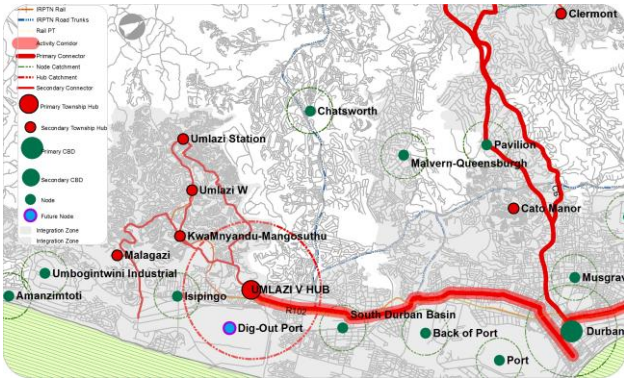
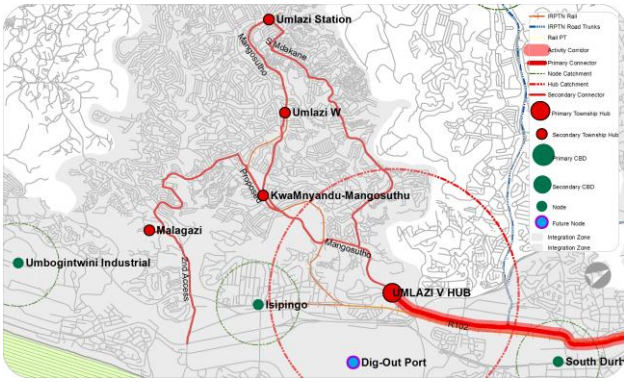
Mpumalanga High Street Mixed Use Development and NMT/PT Access

The Precinct Plan has identified Mpumalanga High Street as an important mixed use development spine, which together with the Kunene Avenue mixed use spine provide the main development axes to structure the growth and development of the town centre/urban hub heart. Mpumalanga High Street will provide the primary mixed use development spine within the town centre and an important BRT/PT corridor. The Main Street will link the existing shopping centre with the proposed town centre public park, civic services centre, and business hives centre and future public hospital/CHC. Mpumalanga High Street has accordingly been identified for development and intensification as follows:

- Mixed use development with a mix of social facilities, commercial uses and higher density residential development;
- Development of a town centre public park, civic services centre and business hives centre;
- Development of mixed residential development including higher density, urban housing typologies;
- Access to new/improved PT facilities along Mpumalanga High Street, MR385 and Kunene Avenue; and
- Improved NMT linkages with the shopping.



IMPLEMENTATION WITHIN UMLAZI

UMLAZI PRIMARY NETWORK	UMLAZI SECONDARY NETWORK
	

Project Preparation and Implementation

Established in the 1960's as 'Black' Township under the Apartheid Government, Umlazi is presently the largest township in KwaZulu-Natal and the second largest (after Soweto) in South Africa. Like most townships in South Africa, Umlazi faces a number of challenges that include but are not limited to the following:

- Limited Service Delivery;
- Severe Housing Shortages;

- Informal Settlements;
- Limited Economic development;
- High rates of unemployment;
- High Rates of Crime;
- Limited internal (within Umlazi) and external connectivity (to the greater city region); and
- High Population.

The Urban Network Strategy

Within the above context it is then understood that the focus of the Urban Network Strategy is to, through strategic investment by government, facilitate the development of a more caring economic space from which a vibrant local economy can emerge.

The Study Area Catchment (Umlazi V/Reunion Urban Hub)

Within this context, the strategic location of the Reunion Study Area can provide job, economic and social opportunities within central and northern eThekwini and the southern and southern coastal areas suggesting that the node (the urban network area) has the potential to serve a significant threshold. This catchment can be divided into three components, viz.

- Primary catchment (primarily Umlazi) where some 405 000 people reside);
- Secondary catchment (including the southern parts of eThekwini) where an estimated 300 000 people reside); and
- The tertiary catchment (including most of the Ugu District and beyond) where more than 700 000 people reside. This catchment demarcation suggests an overall catchment for the Study Area of more than 1.5 million people.

Isipingo/ Reunion/Eastern Umlazi is a strategic gateway for nearly 1.5million people residing south of Durban to gain access to the Durban CBD and other parts of eThekwini. Umlazi, an area with a population of more than half a million people have a severely underdeveloped local economy. This requires most residents of Umlazi and beyond to travel to nodes such as Isipingo and the Durban CBD to access retail and commercial services.

Other nodes are accessed for job opportunities. The precinct plan report considers, based on preliminary layout plans, consider the bulk provision to be made for various economic uses in the Reunion component of the Urban Network System. The economic uses considered for location in the node include:

- Small business and informal economy;
- Retail and related services;
- Services;
- Commercial/ office development;
- Manufacturing/ logistics; and
- Residential.

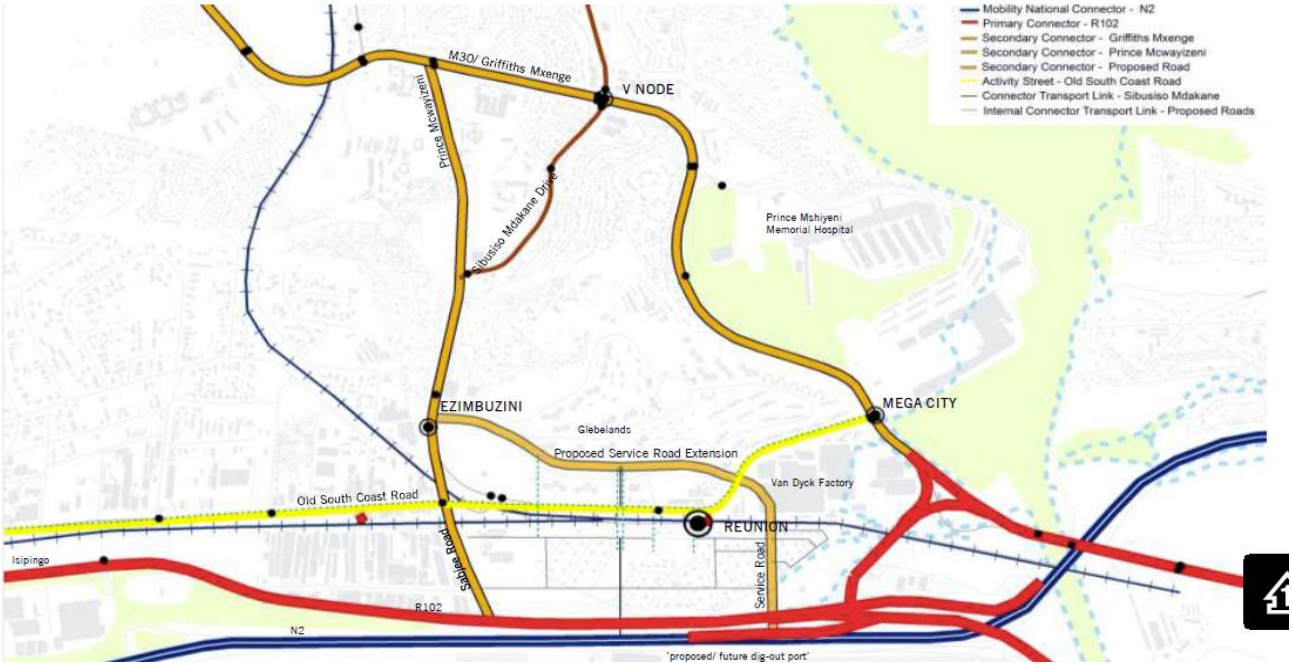
The Spatial Economic Vision

The Spatial Economic Vision for the future development of the Umlazi Urban Network System, and the Reunion component thereof specifically, is then:

To create an urban nodal network that will provide southern eThekwini and South Coast residents with access to a full range of economic services and opportunities, located in a vibrant and dynamic node, linked to an efficient urban network system. The proposed vision and the recommendations following on from this is based on a sound regional economic logic. The basic arguments for the approach include:

- The reality of a growing and densifying population (local and regional catchment);
- An existing situation that nodes cannot appropriately cope with current and future demand for social and economic services;
- The continued unsustainability of existing transport arrangements (i.e. distance residents and commuters must travel to access services); and
- The strategic location of Reunion as a Gateway between Umlazi/ South Durban and CBD/ North and West Durban. Current urban transformation processes present opportunities for the Reunion Node, forming an integral part of the Umlazi V Urban Network, to be established as an Economic Gateway to eThekwini. The Economic Gateway will provide:
    - A strong Services Node;
    - A centre for Job Creation;
    - Offering Alternative Retail opportunities; and
    - High Density Housing.

Access and Movement Structuring Elements



Activity Street Structuring Elements

The greater Umlazi area is complimented by three scales of activity streets –

I. Primary Activity Street – Old South Coast Road;
II. Secondary Activity Street – Prince Mcwayizeni Drive; and
III. Local Activity Street – Sibusiso Mdakane Drive.

Primary Activity Street – Old South Coast Road

The primary activity street runs along Old South Road, connecting Reunion with the Umlazi and Isipingo areas. This activity street is supported by the two District Roads within the Greater Umlazi catchment, allowing for maximum permeability and connectivity. The activity street will provide a supportive function to the 'proposed/future dig-out port' and act as a catalyst for private sector investment, due to land uses supporting the street. In addition, the primary activity street will foster the efficient movement and connectivity of pedestrians within Umlazi area. This street provides linkages between multiple modes of public transport (IRPTN, rail and taxi), and promotes the use of non-motorised transport by enhancing access and safety for pedestrians and cyclists. From the various land uses and proximity to National and Regional linkages as well as to the 'proposed/ future dig out-port', it is evident that this corridor will be a vibrant and robust system.

The street is anchored by;

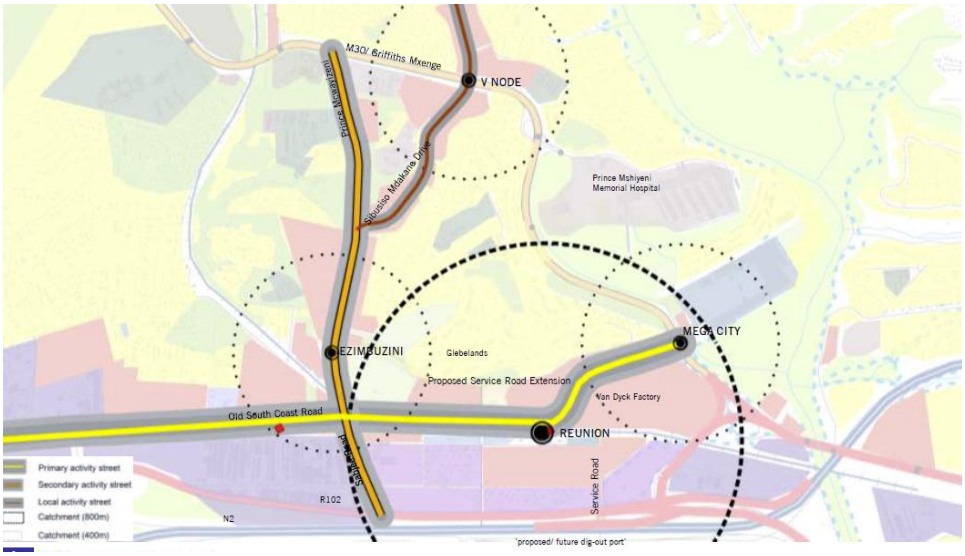
- Mega City in the north, with regional shopping facilities as well as a taxi interchange point;
- Ezimbuzini to the south with its specialised local herbal and cattle markets and local taxi facility; and
- Reunion centrally located providing an intermodal facility through the introduction of a major taxi rank connecting to the rail line which provides access to the broader eThekwini context. The Heart at Reunion also supports the work force through a range of business and logistics enterprises as well as other commercial and recreational uses.

Secondary Activity Street – Prince Mcwayizeni Drive

The secondary activity street is proposed along Prince Mcwayizeni Drive. To increase mobility and connectivity of the area, it is proposed that Prince Mcwayizeni and Sabjee Road are realigned (as outlined previously). The realignment of the road will reinforce the stature of the link, therefore performing as a secondary activity street. The direct connection between the R102 and M30, through the existing vibrant Ezimbuzini area, where a range of informal markets and a key taxi rank are located, through to the civic and government facilities are located along the M30, sees this route as a key activity street for the Greater Umlazi area. The linking of the primary and secondary activity street allows for fluidity of land uses and pedestrian movement. In support of its proposed function, the properties adjacent to the Activity Street are encouraged to facilitate Mixed Use activities. This will support a vibrant and robust environment which reinforces the nodes at Ezimbuzini and V Node.

Local Activity Street – Sibusiso Mdakane Drive

The local activity street runs along Sibusiso Mdakane Drive and provides connectivity within Umlazi. This street links Prince Mcwayizeni Drive to Griffiths Mxenge Highway (M30), creating a vibrant intersection at Umlazi V node. The hierarchy of these activity streets aligns with the greater movement



framework hierarchy. In addition, these roads corridors interlink with each other and will ultimately support each other and not serve as separate entities. With regards to the catchment areas, it is evident that Ezimbuzini, Reunion and Mega City interlink and spill over into each other. This relationship allows for land uses to be supportive and create thresholds that will serve these nodes and activity streets. Umlazi V node has distinct land uses which vary from the other three nodes. Here we find a mix of educational, administration, mixed-use and residential. The local activity street will serve this node and will allow for growth.

Nodal Structuring Elements

Each of these nodes have a varying degree of land uses, fostering an economic impact.

Reunion – Filling the Gap

The Reunion node presents an opportunity to fill an economic gap by allocating appropriate land uses that support each other, enhancing the overall economic growth within Reunion, Umlazi and the 'proposed/ future dig-out port' zone. The most dominant land use proposed for this zone is logistics, in support of the nodes context, specifically the 'proposed/ future dig-out port', and freight corridors (N2 connecting to N3). The next dominant land use is mixed use, followed by commercial and then residential. These land uses tie in with their surroundings, however here mixed use will serve as a catalyst for densification with commercial uses found at ground level and high rise residential above. Commercial uses will ultimately serve pedestrians and residents within and extending out of this vicinity.

Ezimbuzini – Alternative Enterprise Development

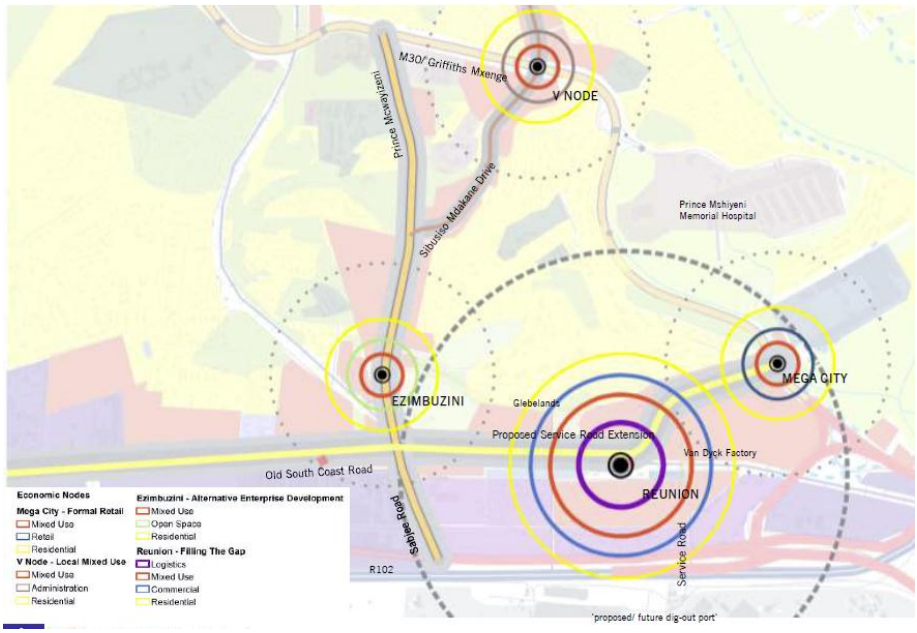
Ezimbuzini has been identified as an 'Alternative Enterprise Development' node. As a result of its existing structure and the catchment, Ezimbuzini services an array of economic uses. Locals provide various services to the community, ranging from housing materials, food supplies, livestock and herbal medicine. It is therefore proposed that the dominant land use for the area is mixed use complimented by open space associated with the large sports complex. Residential development is also located in this node, which consists of both informal and formal residential clusters.

Mega-City – Formal Retail

The Mega City node is identified as formal retail attributed to Mega City mall. However, the dominant land use within this node is mixed use due to adjacent uses. The second dominant use is the shopping complex followed by residential, compromising of the hostels.

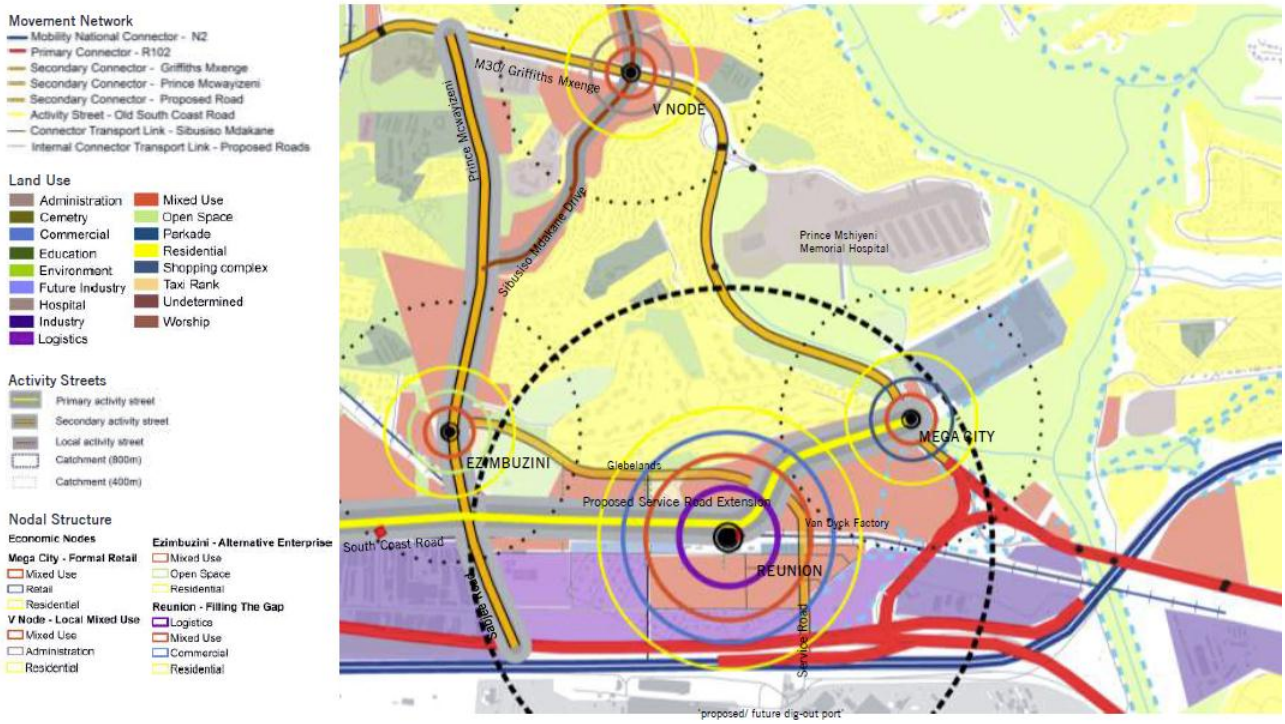
Umlazi V Node – Local Mixed Use

Umlazi V node is a local mixed use node due to the various businesses in this area (offices, retail, informal trade, restaurants and a garage). This interceptory point is busy and vibrant. In addition, a strong presence of administrative uses is available referring to the magistrate court and police station. Umlazi V Node also consists of a mix of both formal and informal residential.

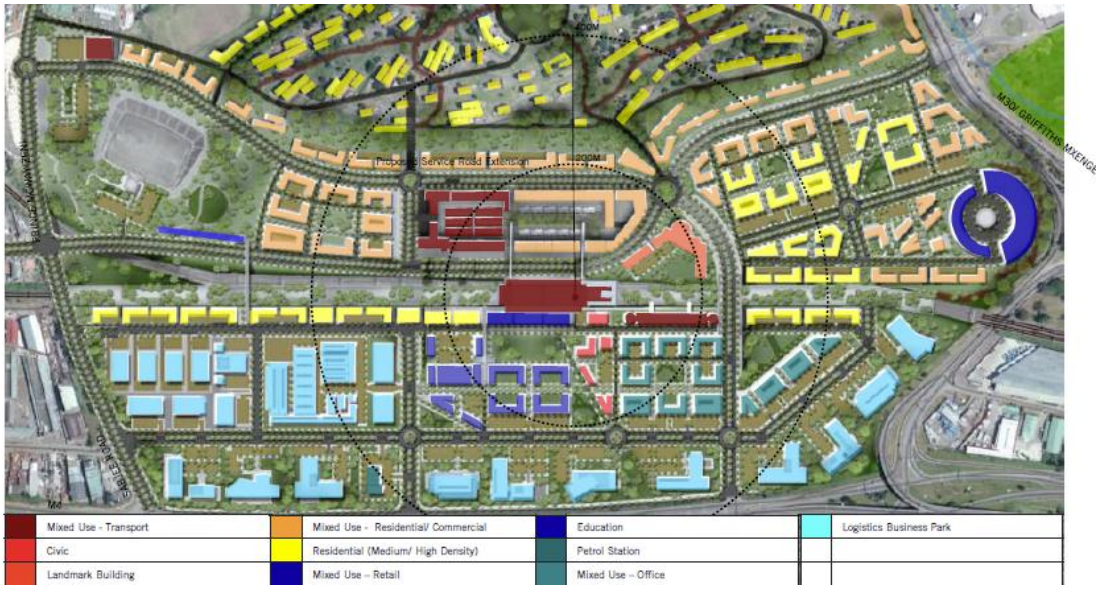


Nodal Structuring Elements

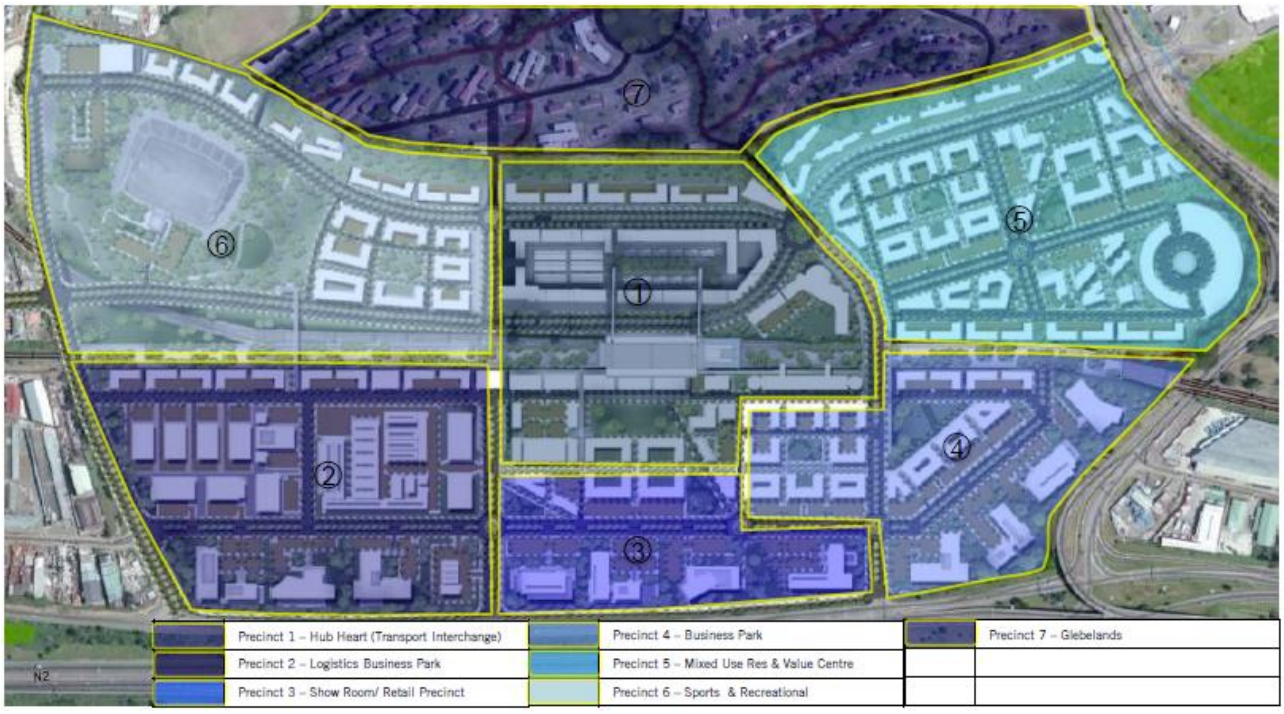
Consolidated Structuring Elements



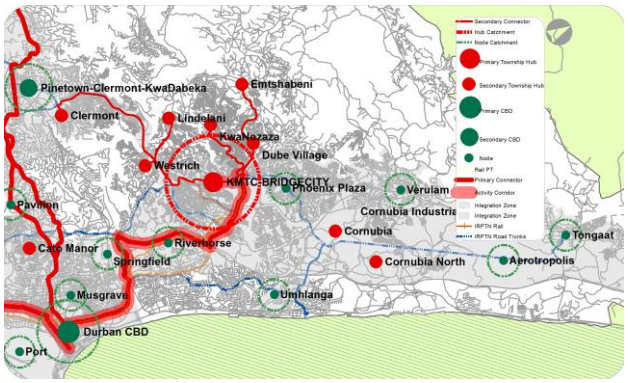
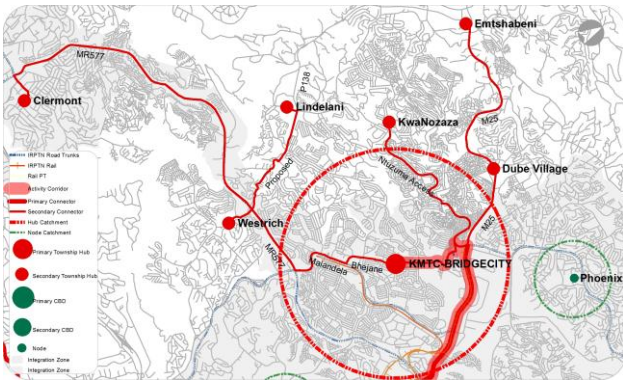
The Landuse Framework



Precinct Identification


Precinct 1 – Hub Heart (Transport Interchange)
Precinct 2 – Logistics Business Park
Precinct 3 – Show Room/ Retail Precinct
Precinct 4 – Business Park
Precinct 5 – Mixed Use Res & Value Centre
Precinct 6 – Sports & Recreational
Precinct 7 – Glebelands
N2

IMPLEMENTATION WITHIN INK

INK PRIMARY NETWORK	INK SECONDARY NETWORK
	

Project Preparation & Implementation

Kwamashu, Inanda and Ntuzuma (INK) are areas which have been previously disadvantaged by apartheid in terms of social and economic development. Although the ushering in of a new democratic dispensation in 1994, witnessed an increase in the rate of the delivery of social and infrastructural services, these areas are still neglected with regard to economic development. In the post-apartheid period, this neglect is rooted in a parochial view of economic development which sees the invested areas of the city as prime sites for local government economic support measures. This parochial view is augmented by the perceptions of the private sector that previously disadvantaged areas contain high risk sites for investment. The relatively high levels of crime reinforce private sector perceptions and fears. These previously disadvantaged areas are also not vigorously promoted as investment destinations.

Local government's economic approach in the provision of informal trading stalls and social infrastructure also do not address the generic problems of the lack of access to factors of production (land and capital). Low levels of individual and community access to land are intimately tied up in complex, time consuming governmental procedures and red tape. Furthermore, un-coordinated infrastructure delivery reduces its potential use value in maximising economic development impacts.

The above problems, amongst others, are reflected in the social and economic fabric of INK. These trends include high unemployment levels, poverty, relatively low incomes, low levels of education and training, low levels of fixed capital investment and physical development, underutilised sporting facilities and fear and insecurity linked to crime.

This KwaMashu / Bridge City Urban Hub Precinct is part of the Urban Network, a significant and innovative initiative to begin to establish such a "platform" for residents of, Inanda, Ntuzuma and KwaMashu (INK) so that they can gain access to social and economic services and opportunities in the wider metropolitan region, as well as, to provide a commercially viable "springboard" for local economic development and social upliftment.

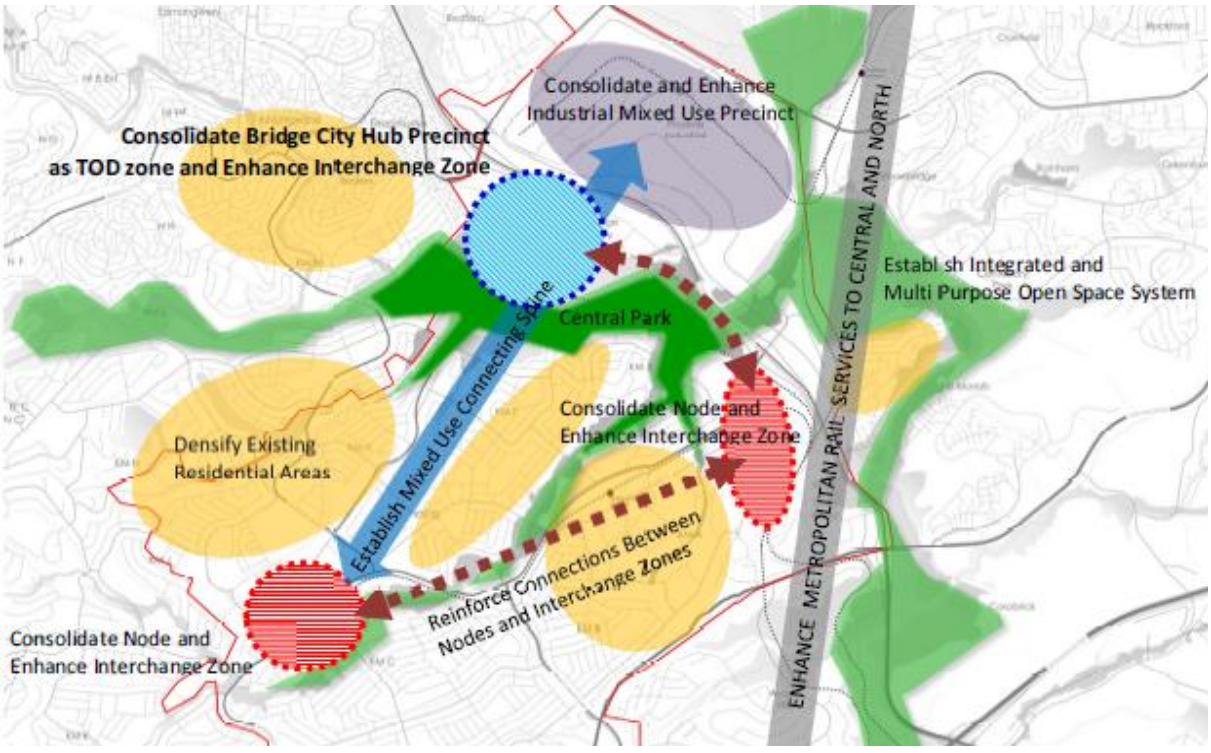
In line with the above the overall objective of the project is to review the planning of the Bridge City Hub and align it with the ongoing planning design and development of the EThekwini Municipality's IPTN initiative and to ensure that the Hub is developed around sound Transit Oriented Development (TOD) principles:

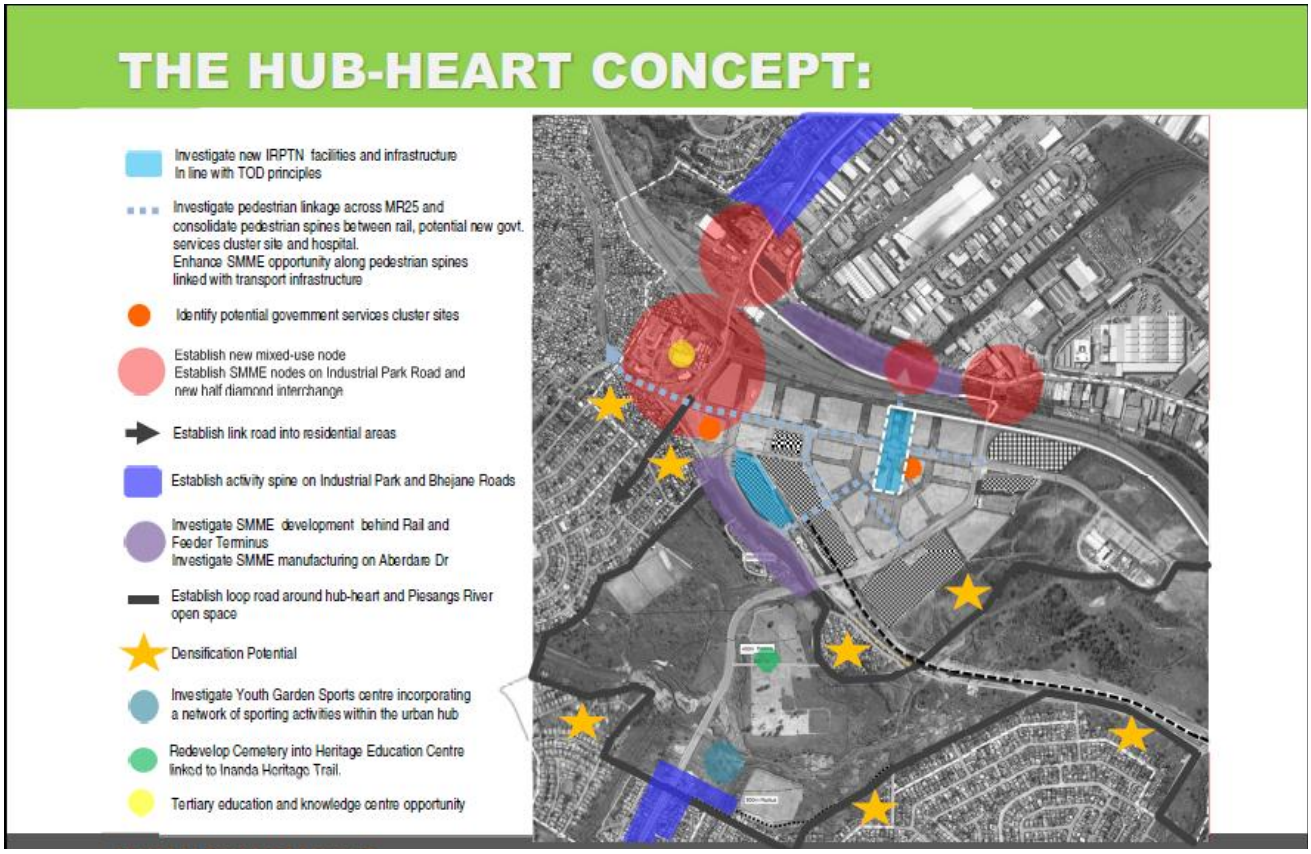
- Connectivity of INK residents to Metropolitan Opportunity;
- Improved linkages to Social and Commercial Services within INK;
- Environmental Quality Upgrade of the Hub Precinct; and
- Leverage of Public and Private Investment and Employment Creation in the Urban Hub Boundary.

Spatial Concept - Urban Hub Precinct

The spatial concept for the Urban Hub Precinct responds directly to the key project and NPDG Programme objectives as outlined above and attempts to indicate how the elements of the Urban Hub operate both individually and collectively to meet these objectives as effectively and efficiently as possible. The conceptual framework uses a number of spatial structuring elements each of which provide focus for both public and private investment. These include the following:

- Sub Precincts;
- Activity Nodes / Interchange Zones;
- Mobility and Activity Corridors;
- The Open Space System; and
- Urban Infill Areas.




THE HUB-HEART CONCEPT:
Investigate new IRPTN facilities and infrastructure In line with TOD principles
Investigate pedestrian linkage across MR25 and consolidate pedestrian spines between rail, potential new govt. services cluster site and hospital.
Enhance SMME opportunity along pedestrian spines linked with transport infrastructure
Identify potential government services cluster sites
Establish new mixed-use node
Establish SMME nodes on Industrial Park Road and new half diamond interchange
Establish link road into residential areas
Establish activity spine on Industrial Park and Bhejane Roads
Investigate SMME development behind Rail and Feeder Terminus
Investigate SMME manufacturing on Aberdare Dr
Establish loop road around hub-heart and Piesangs River open space
Densification Potential
Investigate Youth Garden Sports centre incorporating a network of sporting activities within the urban hub
Redevelop Cemetery into Heritage Education Centre linked to Inanda Heritage Trail.
Tertiary education and knowledge centre opportunity

Local Economic Empowerment

One of the criticisms of the Bridge City Development has been a lack of more opportunities for SMME and local opportunities for the community. In the initial stage of the planning, provision was made to accommodate these activities however the feasibility and market pressure has resulted in these sites being used for other higher order land uses.

In order to address this shortfall, the concept proposes that some areas along Aberdare Drive / adjacent to the Phoenix Highway which are currently utilized for overflow parking, be explored for smaller incubator hives for the community i.e. 3m x6m containers. This would be subject to a detailed investigation into the constraints applicable to the existing pipeline servitude in the area, and the planned BRT C9corridor.

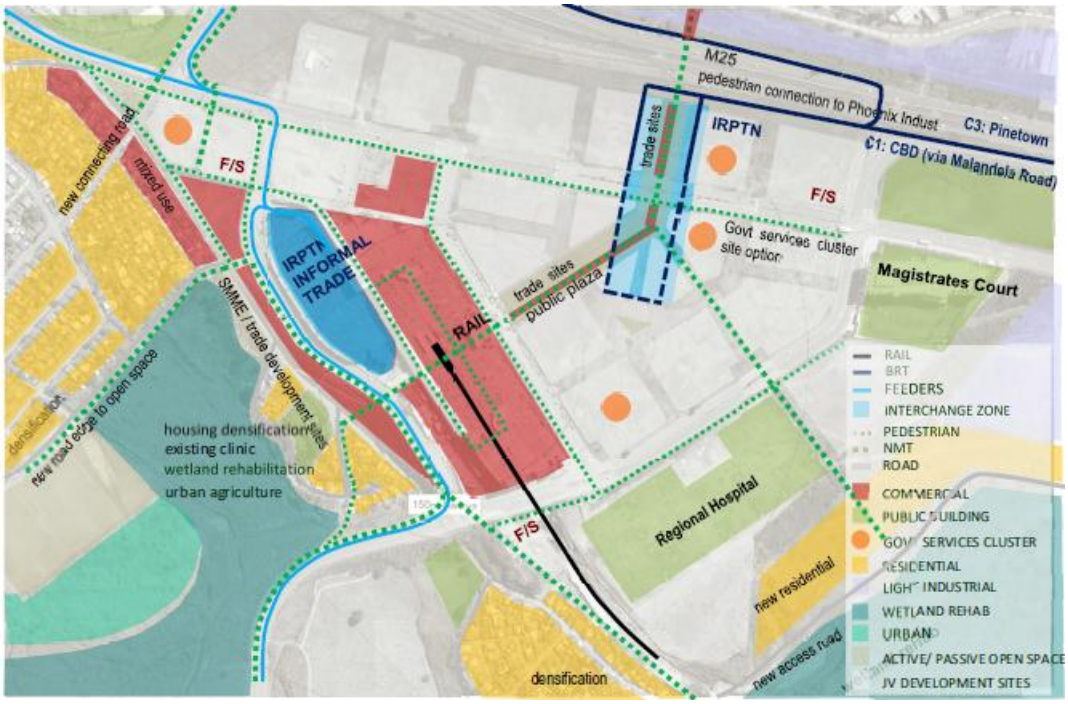
The current Bester Community Centre area which lies at the doorstep of Bridge City could be redeveloped for mixed use SMME and incubator hives, as well as enhanced community facilities, possibly including tertiary education / knowledge centre facilities. The municipality is currently exploring options for the location of a Government- one stop facility within the Pink area. There has been interest to develop this facility within the Bridge City Development and a number of sites have been identified within the hub-heart for the possible location of the government services cluster facility.

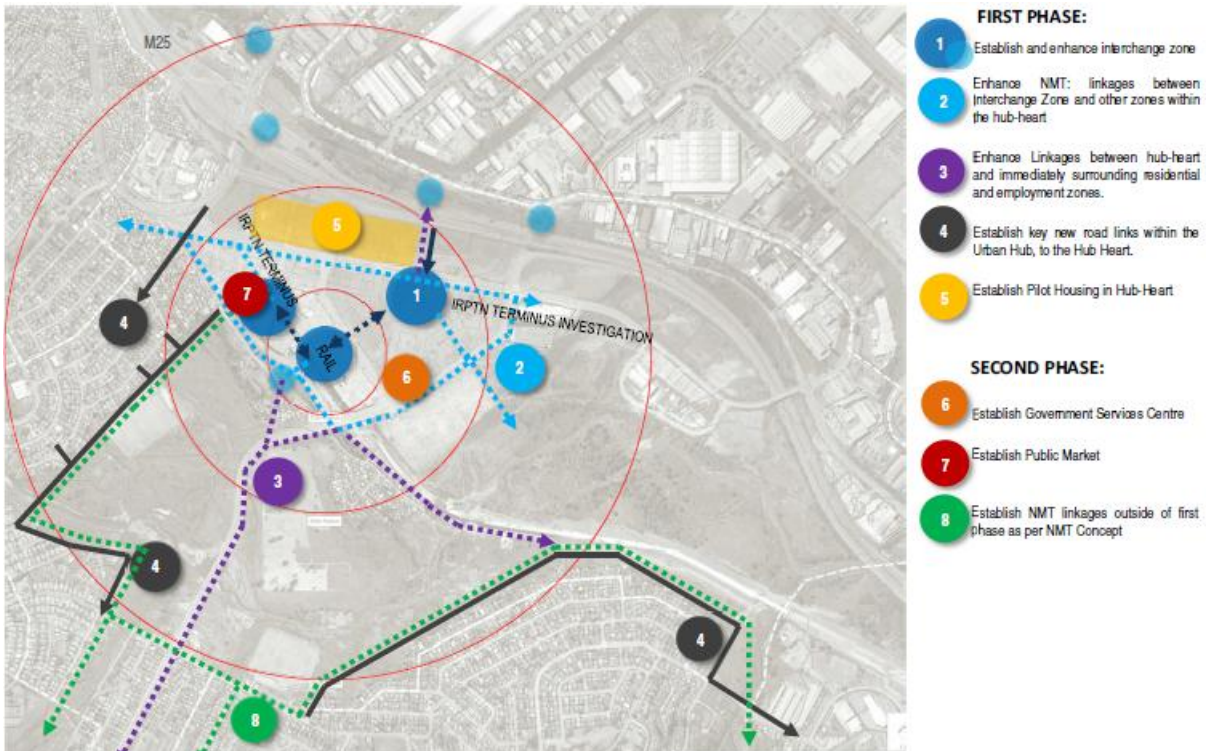
SMME opportunities can be explored along the back of the existing shopping centre. This site has the potential to link the upper platform with neighbouring residential areas that are some 2 to 3 storeys lower, whilst providing SMME and informal trade opportunities around public transport at the higher level, with SMME manufacturing along the lower road, and a residential component for surveillance and 24 security. The re-assessment of the existing feeder terminus behind the shopping centre, can pave the way for the introduction of a consolidated informal traders market, once again linked to public transport facilities.

Social Service Cluster

A recent need and desirability study has been commissioned for a government services cluster / one stop shop within the PINK area. Various sites both within and outside of the hub-heart have been investigated with a view to suitability. No specific sites have been confirmed as yet.

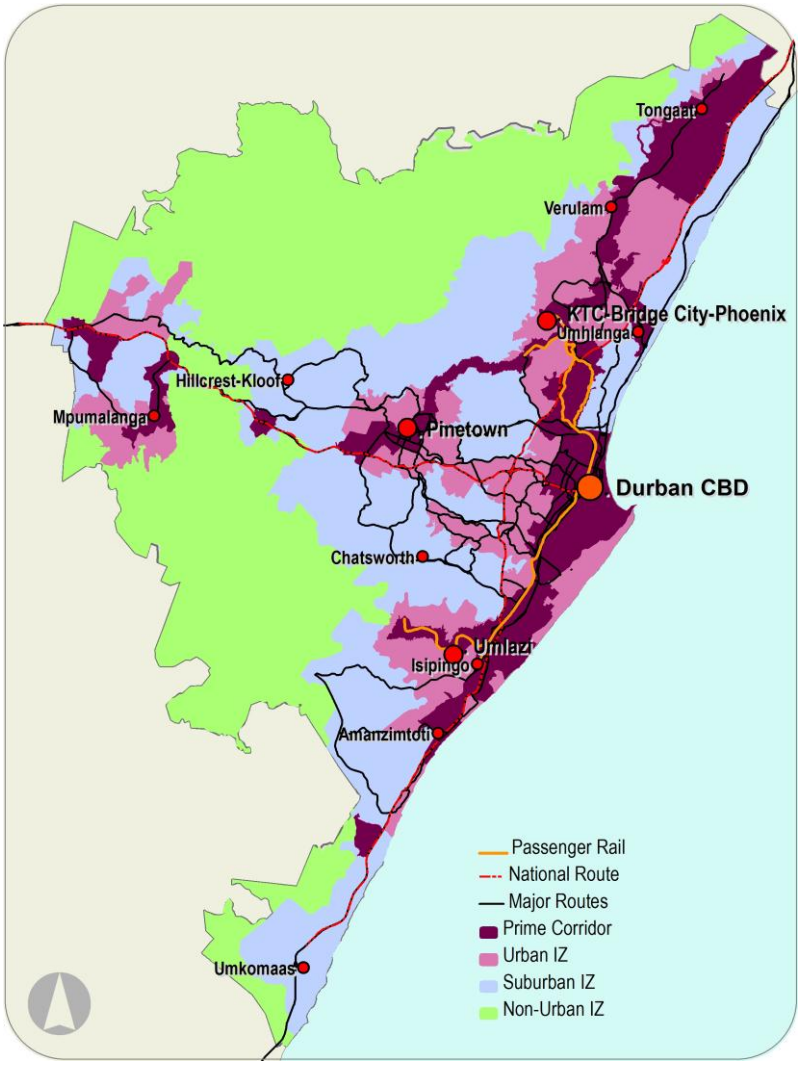
It is recommended that the location of the cluster be determined based on access to Public Transport facilities within the interchange zone, whilst understanding that such a facility is likely to attract significant pedestrian numbers and as such has the potential to form a catalyst for private and SMME developments. Should the one-stop government facility not be feasible due to the institutional arrangements that make it difficult to operate all under one roof, then those individual organisations / institutions could be catered for within the Interchange Zone as standalone facilities but clustered so they achieved the same desired effect.




M25
IRPTN TERMINUS
IRPTN TERMINUS INVESTIGATION
RAIL
FIRST PHASE:
1 Establish and enhance interchange zone
2 Enhance NMT: linkages between Interchange Zone and other zones within the hub-heart
3 Enhance Linkages between hub-heart and immediately surrounding residential and employment zones.
4 Establish key new road links within the Urban Hub, to the Hub Heart.
5 Establish Pilot Housing in Hub-Heart
SECOND PHASE:
6 Establish Government Services Centre
7 Establish Public Market
8 Establish NMT linkages outside of first phase as per NMT Concept

INTEGRATION ZONES (IZ'S)

A key shift in the 2017/18 BEPP is the recognition that to achieve the outcomes of spatially transforming the apartheid legacy and growing the economy, we need to focus attention on a narrower geographic extent than the ones expressed in previous eThekwini BEPPs. eThekwini has never before practiced spatial targeting and to try to achieve success over a large geographic area would simply increase the chances of failure. We have therefore identified a Prime Investment Corridor which has a number of segments or arms.



THE PRIME INVESTMENT CORRIDOR

Overview

The Prime Investment Corridor (PIC), shown as the dark band on the map opposite, requires a narrow spatial target in order to:

- support the IPTN through increasing usage and thus reducing the operating subsidy;
- create conditions most conducive to economic growth;
- enhance infrastructure efficiencies; create vibrant high density mixed-used environments that can accommodate a large proportion of the city's residents.

The PIC aims at more intensive uses, and greater density of jobs, trips, residents, and investment than anywhere else in the metro.

The PIC includes:

- The South Durban Basin / Back of Port;
- The Port, Durban CBD and Inner City Neighbourhoods;
- The Pinetown CBD;

- Cornubia and DTP;
- C3, C1 & 2; and
- The other corridors connecting these areas.

The PIC also includes some standalone pockets that are connected to the core of the PIC by limited access routes. The pockets include:

- Mpumalanga, Cato Ridge, and Shongweni, all in the West; and
- Lovu in the South.

The PIC includes already developed (brownfields) areas where maintenance, infill, intensification and redevelopment will be promoted, as well as green fields opportunities for intensive new investment.

The spatial extents of the PIC are up to 400 m either side of Major Movement Routes;

- Expands to include all significant existing economic uses;
- Expands to include an 800 m radius at rail stations;
- Expands to include Informal Settlements; and
- Expands to include POS.

The PIC is 28,672 Ha in extent, approximately 12% of the metropole's extents of 229,162 Ha. The PIC has a Southern Arm, a Northern Arm, the Pinetown Complex and the Western Complex.

The South Arm includes Durban CBD and Umlazi. Its functions are logistics, industry, port, and residential. The Pinetown Complex comprises Pinetown and surrounding suburbs. Its functions are industry and residential. The South Arm and the Pinetown Complex are already developed, although not optimally so in every location. The development strategy for these two locations is brownfields, namely identification of inefficiencies and sub-optimal uses, identification of opportunities for infill, densification and intensification, and redevelopment in some cases.

The North Arm runs from the Umgeni River and includes the Bridge City / KwaMashu Primary HUB and the Aerotropolis. Its functions are airport and logistics, and residential. The Western Complex comprises Mpumalanga, Hammarsdale, Cato Ridge and Harrison Flats. Its functions are logistics, agri-business and residential, and it plays a gateway / linkage role relative to the N3.

The North Arm and the Western Complex have significant tracts of greenfields. The development strategy would be typical for that of greenfields, i.e. infrastructure investment, mobilisation of private and public investor interest, accompanied by investment incentives. In the North Arm, there are greenfields opportunities for economic and residential uses in the greater Aerotropolis precinct.

The Western Complex has significant greenfields opportunities for economic development in response to the N3 corridor and the freight route from the Port.

PRIME INVESTMENT CORRIDOR INTEGRATION ZONE: COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

INTENTION	PRIME INVESTMENT CORRIDOR
LOCATION	- Up to 400m either side of the metropolitan, provincial, and national movement system. - 800m radius around PT stations - includes all the significant urban centres (CBD and UNS Nodes) & economic zones with high concentrations of infrastructure, jobs, and economic activities. - existing high-intensity uses - contains numerous opportunities for intense brownfields or green fields urban development, including a number of the Catalytic Projects
INVESTMENT STRATEGY	- Universal access to basic services - Fully upgrade informal settlements in a way that retains high net densities - Maintenance of infrastructure - Universal access to social facilities - PT & movement system improvements - Commission BRT system and facilitate rail improvements by PRASA - Improve regional routes
	- Investment in Core Infrastructure – WTW, WWTW, Freeway Interchanges, IRPTN Trunks & Freight Routes, SIP, Port, Airport, - Maximise density of investment - PPP's where appropriate
LAND USES & FEATURES	- Economic - High-density Residential - Mixed Use - Higher Order Social Facilities - High densities of investment, people, jobs - Coarse and fine-grain economic uses - District Community Services clustered with Sub-Metropolitan services
PROPERTY DEVELOPMENT FEATURES	- High FAR - Extensively Developed - No Vacant or Underdeveloped Properties - Property Improvements, Extensions, and Redevelopments
CONTRIBUTIONS TO ECONOMIC HEALTH	- Improved Rates Revenues - High Sales of Water and Electricity
	- Improved City GDP - Job Retention & Creation in Manufacturing, Logistics, Retail, Services, Finance - Higher levels of LED (support to informal economy) - Promote Catalytic Projects & Mega Human Settlement Projects

SPATIAL LOGICS

In Progress-this section to be detailed in April

North Arm of the Prime Corridor

South Arm of the Prime Corridor

Pinetown Complex of the Prime Corridor

Western Complex of the Prime Corridor

PART B2 –SPATIAL PRIORITISATION METHOD

PRIORITISATION APPROACH

In eThekwini the technical prioritisation of projects currently takes place at the level of individual municipal departments. This is where the non-integration of programmes begins since there is no common narrative about how the municipality is going to develop spatially or temporally and hence no common reference point against which to evaluate priorities. As a municipality, we need a common framework for prioritisation as well as models/tools for evaluation. These models would range from the macro or strategy level to the micro or project evaluation level.

Existing Prioritisation Models

The MSFM (Municipal Services Finance Model)

The MSFM (Municipal Services Finance Model) is a strategy level budgeting tool which allows for the formulation of development scenarios and to understand their impact on the capital and operating budgets of the municipality. The MSFM has four main pillars, namely Social, Economic, Asset Management and Administrative Spend. The MSFM is a non-spatial model so the spatial aspect needs to be developed separately.

The Housing Spatial Prioritisation Model (HSPM)

The HSPM is a well-developed and reasonably mature model, first developed in 2012. The model ranks projects relative to each other and has been used mainly to assess the Informal Settlement Upgrading and Greenfield Housing Programs. This model is detailed further in the Marginalised Areas section of this BEPP.

The Economic Spatial Prioritisation Model (ESPM)

This model is currently under development. Its origins are the Durban Investment Dashboard (DID), which tracks major private sector interest in property developments for economic uses. Some of the performance aspects that the DID already tracks are Rates Returns, Permanent Jobs, and Temporary Jobs, Investment Value, and these indicators are likely to be the departure point for establishing prioritisation criteria.

The Corporate Spatial Prioritisation Model (CSPM)

This model is in the development stage. Its logic is that the nature, impact, location, and size of a project are what count most, and timing and technical factors should be taken into consideration after that. The CSPM is applicable to Core Infrastructure, Social Infrastructure and Economic Infrastructure. It deals with Core Infrastructure differently, in that the location of Core Infrastructure is very often different to the locations where its impacts are felt.

Fiscal Impact Tool

This is a project level tool to assist in comparing the cost of undertaking a project in a range of different geographic locations and was developed by National Treasury in conjunction with the metros. This kind of tool could accompany a non-spatial tool like the MSFM.

RIPOA Tool

This is a project level tool that assists one early in the project investigation/viability stage to deal with the project options that the EIA legislation requires. It is a useful tool to populate prior to committing to a course of action as it allows one to consider the options that would be closed down if one committed to a project without such a consideration.

Spatial Budgeting Tool

eThekwini would like to operationalize a spatial budgeting tool to assist with guiding the municipal capital and operating budgets spatially to achieve a range of development objectives. The MSCOA compliant model that is used to guide the budgets in Johannesburg and Tshwane metros seems to have many features of value. The municipality has started receiving presentations from vendors of such a tool with a view to procurement.

Identification of Thematic, Spatial & Temporal Priorities

In Progress- to be developed further during April

PART B3 – CURRENT DEVELOPMENT RESPONSES

METROPOLITAN CONNECTIVITY CATALYST

Metropolitan Connectivity is a Core Infrastructure Program needed to create the movement preconditions for successful residential densification, economic development, and reversal and mitigation of apartheid spatial planning.

The BEPP, the IDP and SDF all identify the Integrated Public Transport Network (IPTN) as a key spatial response to overcome spatial disintegration.

eThekwini intends to have a "world-class transport system with a public transport focus, providing high levels of mobility and accessibility for the movement of people and goods in a safe, sustainable and affordable manner. The strategy focuses on reducing overall demand for road space whilst maximizing the effective utilization and efficient operation of road infrastructure for purposes of private and public transport use. It also places an emphasis on strategies which support and encourage the use of public transport."

The IPTN consists of North-South rail backbone from Bridge City to Isipingo and a number of BRT routes. There will be 18 transfer station ranks from rail to road. Currently, 50% of the population are within 800m (10-15min walk) of a scheduled public transport service. With the full implementation of the IPTN, this is forecast to rise to 85% of total population.

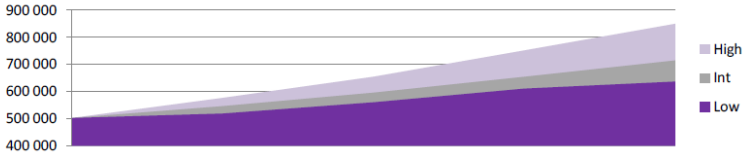
Projected Transportation Demand

Based on a range of growth scenarios, the projected demand by mode over the next 20 years is illustrated in the table below. Overall growth in peak hour trips from 2020-2035 is estimated at 23% for the low growth scenario, from a base line of 518 000 in year 2020, to 47% for the high growth scenario, from a base line of 576 000.

During the same period from 2020 to 2035, modal split to public transport for the low growth scenario remains more or less unchanged, at 42-43% by public transport and 53- 54% by car, with the remaining few percent for heavy goods vehicles (HGV). For the high growth scenario however, public transport share increases from 47% to 51%, whilst use of private motor vehicles decreases by approximately 5% from 50% to less than 45%.

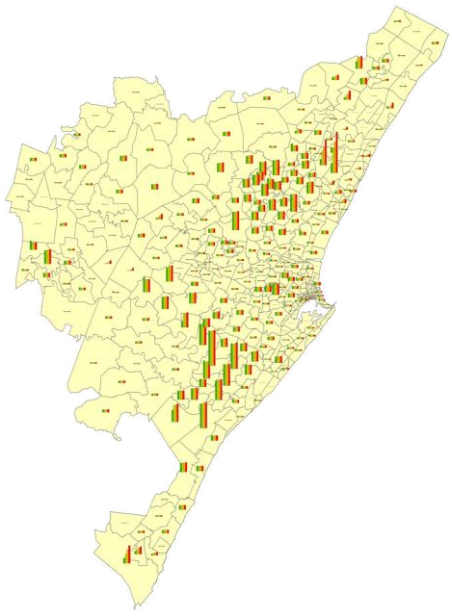
AM Peak Hour Person Trip Demand by Mode (High, Medium, Low Growth Scenarios)

Growth	AM PH Demand (person trips)	2015	2020	2025	2030	2035
Low	PT		228 124	238 151	258 442	276 430
	Cars		276 080	304 211	330 233	340 080
	HGV		14 253	17 542	21 688	19 782
	Total		**518 457**	**559 904**	**610 363**	**636 292**
Intermediate	PT	231 738	250 416	272 998	301 855	336 175
	Cars	258 593	280 978	304 786	330 329	351 126
	HGV	11 731	14 253	17 542	21 688	26 757
	Total	**502 062**	**545 648**	**595 326**	**653 872**	**714 058**
High	PT		275 014	324 998	368 334	433 053
	Cars		285 800	308 834	355 902	380 375
	HGV		15 329	20 256	26 874	35 716
	Total		**576 144**	**654 088**	**751 111**	**849 144**

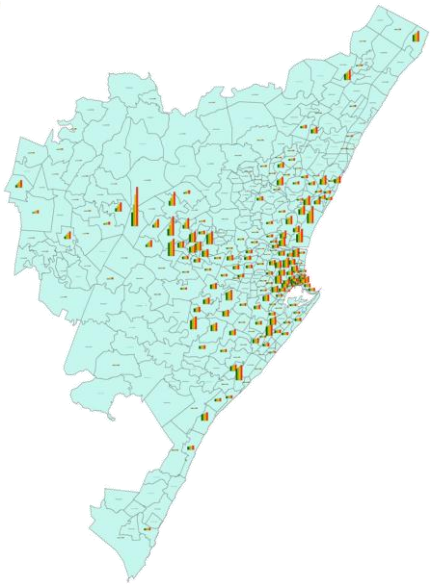


Public Transport Demand Projections

The IPTN strategy aims to use the advantages of the existing transport links with a strong emphasis on interchange to facilitate a wide range of journey opportunities. In addition to the major nodes of the CBD and Warwick Junction/Berea Road station, other centres have a major hub role including Bridge City and Pinetown, particularly for journeys to work as indicated below. Some corridors have been extended into the CBD to avoid the need for transfer. The IPTN comprises of trunk, feeder and complimentary routes. The IPTN network and modal strategies are described below:



Population Growth



Employment Growth

Illustration of spatial distribution of projected population and employment growth areas within the municipal area

Trunk Corridor Demand Estimates

Demand for the trunk and feeder network was estimated based on the forecast years for 2015 and 2025 as shown below. Demand was calculated for each corridor based on proportioning demand from traffic zones to trunk network stops. For trips which involve travel within more than one corridor, interchange stops were identified and boardings/alightings were allocated to those stops as appropriate. Details of the demand estimates for each corridor by time period and direction are

provided in summarised in terms of annual demand and passenger kilometres travelled, for the modelled year of 2015, as reflected below:

CORRIDOR		DEMAND 2015	DEMAND 2025	DEMAND GROWTH
C1	Bridge City to Warwick/CBD	31.13	34.26	10.1%
C2	Bridge City/ KwaMashu to Umlazi/Pelgrim	103.46	112.27	8.5%
C3	Bridge City to Pinetown	20.56	24.15	17.5%
C4	Bridge City to Merebank and Rossburgh	11.57	13.46	16.3%
C5	Chatsworth & Merebank to Warwick/CBD	26.27	29.94	14.0%
C6	Mpumalanga & Pinetown to Warwick	16.86	21.49	27.5%
C7	Hillcrest & Pinetown to Chatsworth	25.96	30.50	17.5%
C8	Tongaat & Umhlanga to Durban	11.76	14.82	26.0%
C9	Bridge City to Umhlanga	12.94	15.71	21.4%
Total		**260.50**	**296.61**	**13.9%**

Annual Demand and Passenger Kilometres for Trunk Services 2015 (millions per annum)

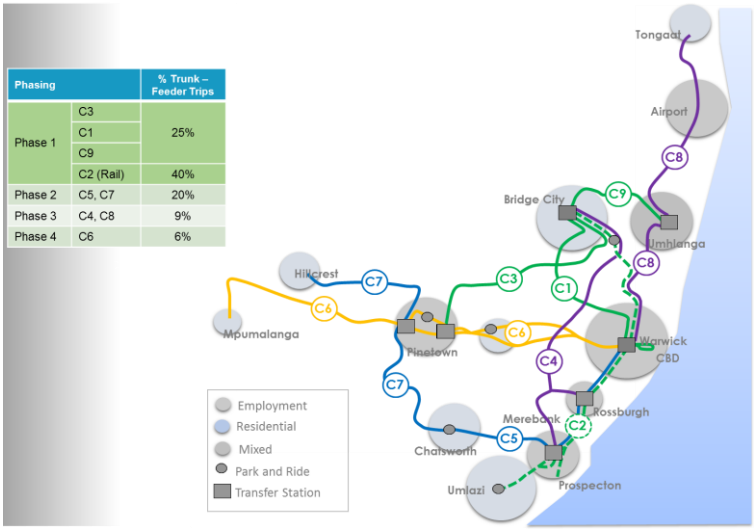
Corridor Passenger Demand

The C2 rail corridor carries the largest volumes of passengers. It is assumed that the majority (75%) of demand that could use C2 in common sections with C1 and C5 will choose to use the rail service. The overall average length of trip on an individual trunk service is approximately 10 kilometres, equivalent to a journey time of around 15 minutes, although overall journey times (including interchange between trunk services) will be longer.

C2 provides the core north-south rail route which will provide considerable capacity once upgrading has been achieved. This is complemented by C1 between the CBD and Bridge City and by C5 between Merebank and the CBD, the latter meeting demand from the Chatsworth area. C8 was realigned to serve the airport rather than replicating the rail route, demand to and from the airport being a growth market in future years.

It is important that the network provides high quality services and connections throughout. Rail is used in C2, developing the established corridor and other corridors are based on bus rapid transit (BRT). BRT services are supported by feeder buses from the outlying areas to interchange points on the trunk corridors and a number of complementary services are planned. Between them, trunk, feeder and complementary services will address considerable demand and supersede the current fragmented and unreliable arrangements.

DEVELOPMENT OF THE IPTN



The eThekwini IPTN Trunk Route Network

IPNT Trunk Route Structure and Description

The network as shown above comprises the following trunk corridors.

- **Corridor C1: Bridge City to CBD via KwaMashu** - C1 provides capacity between two major centres of employment and other activity. This high frequency BRT service provides connections into the CBD to widen access to employment. C1 forms part of the Phase 1 network in view of its strategic importance.
- **Corridor C2: Bridge City and KwaMashu via Berea Road to Umlazi and Isipingo** - The main rail route will be upgraded to enable a more intensive, reliable and higher capacity service to be operated. Infrastructure improvements will allow headways of up to three minutes to be operated with new trains being capable of carrying 2,000 people. The extension to Bridge City creates new journey opportunities, especially for employees. The corridor extends from Bridge City/KwaMashu in the north through the CBD (Warwick Junction) to Umlazi/Isiping in the south.
- **Corridor C3: Bridge City to Pinetown** - C3 provides new connections between two major centres in a corridor that is not easily traversed at present. Interchange opportunities will be important both in the Pinetown area (with C6 and C7 or east-west movements) and at Bridge City (C1, C2, C4 and C9). C3 forms part of the Phase 1 network.
- **Corridor C4: Bridge City to Mobeni and Rossburgh** - C4 offers new services from Bridge City via the N2 avoiding the need to transfer at Warwick Interchange with the route splitting to serve both Rossburgh and Mobeni.
- **Corridor C5: Chatsworth to CBD** - C5 provides additional capacity to the south of Warwick Junction and provides direct services from the CBD and Warwick to Chatsworth town centre. This will be a high frequency BRT service although there is an option to provide light rail services using former heavy rail alignments and platforms and on-street sections to access Chatsworth town centre. This would serve the area more effectively than the current heavy rail alignment.
- **Corridor C6: Hammarsdale and Pinetown to Warwick** - C6 provides east-west services linking Pinetown to Warwick Interchange with possible variants to serve more than one

route within the corridor. Some services will be extended to Hammarsdale in the west as an improved means of accessing Mpumalanga and the rural area with appropriate feeder services.

- **Corridor C7: Hillcrest to Chatsworth** - C7 was originally conceived as part of C5 but separating this part of the network reduces the operating distance and links Hillcrest with Pinetown (connecting with C6 to Warwick) and Chatsworth town centre.
- **Corridor C8: Tongaat and Airport to Umhlanga and Warwick** - Rail services are available to Tongaat but an alternative route would be provided by C8. This would divert to serve the airport and Umhlanga town centre and provide direct access into Durban. This corridor is expected to experience considerable growth as development takes place and also presents a strong public transport presence for airport users and workers.
- **Corridor C9: Bridge City to Umhlanga** - C9 is the shortest corridor and links the growth areas of Umhlanga and Bridge City. C9 forms part of the Phase 1 network in that it links key employment and expanding development areas.

Modal Strategy: Trunk Routes (BRT)

Bus Rapid Transit – a high profile rapid transit mode that combines operational and physical elements to provide a system with the speed, image and permanence of light rail with the cost and flexibility of bus. Features nclude dedicated busways, bus priority measures and limited stop services where appropriate.

Feeder and Complementary Services

Feeder Routes

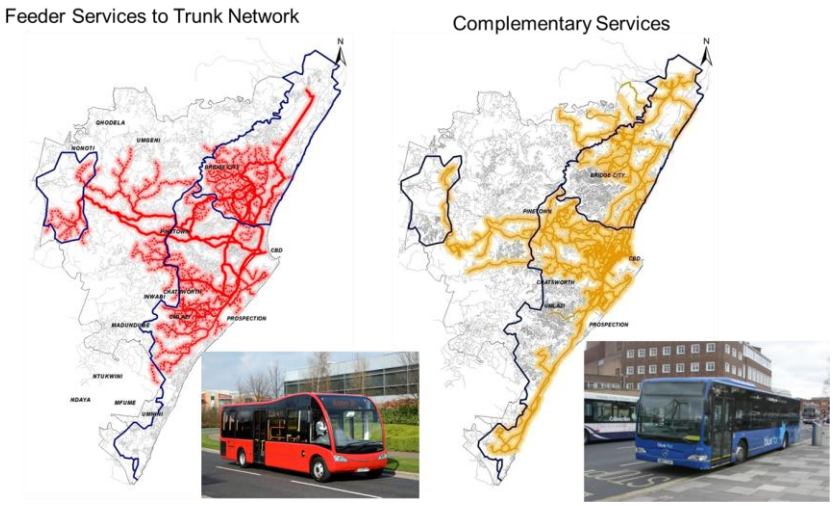
A limited number of people will be able or have the time to walk to stops and stations on the trunk routes, say those with their origins or destinations within 800 metres or even less. If usage potential of the trunks is to be achieved, it will be essential to provide a system of feeder routes to increase their catchment areas. Sets of feeder routes have been designed to meet the trunk corridors at proposed modal interchanges.

Complementary Routes

There are many other trip movements which need to be catered for and which are not aligned with the trunk corridor system. These were planned to be served by a network of complementary routes which comprise an appropriate selection of existing routes.

Modal Strategy: Feeder and Complementary Routes

These have been planned to give adequate coverage, their spacing being related to population density and the aim to have peak hour passenger demands in a range to suit the capacity of standard buses or minibuses running at convenient headways. As far as possible, surfaced roads and existing PT routes were followed to maximize practicality and minimize changes to passengers' travel habits



Phasing

The first Phase of the IPTN is particularly prioritised for the short and medium term and is central to the Prime Investment Corridor as can be seen on the map below. Phase 1 consists of:

- The North-South Passenger Rail Corridor (which is projected to carry about 40% of the city's commuters) –referred to as the C2 Corridor; and
- The road link between Kwamashu/Bridge City and Pinetown along the MR 577, which is projected to carry approximately 14% of the city commuters- referred to as the C3 Corridor.

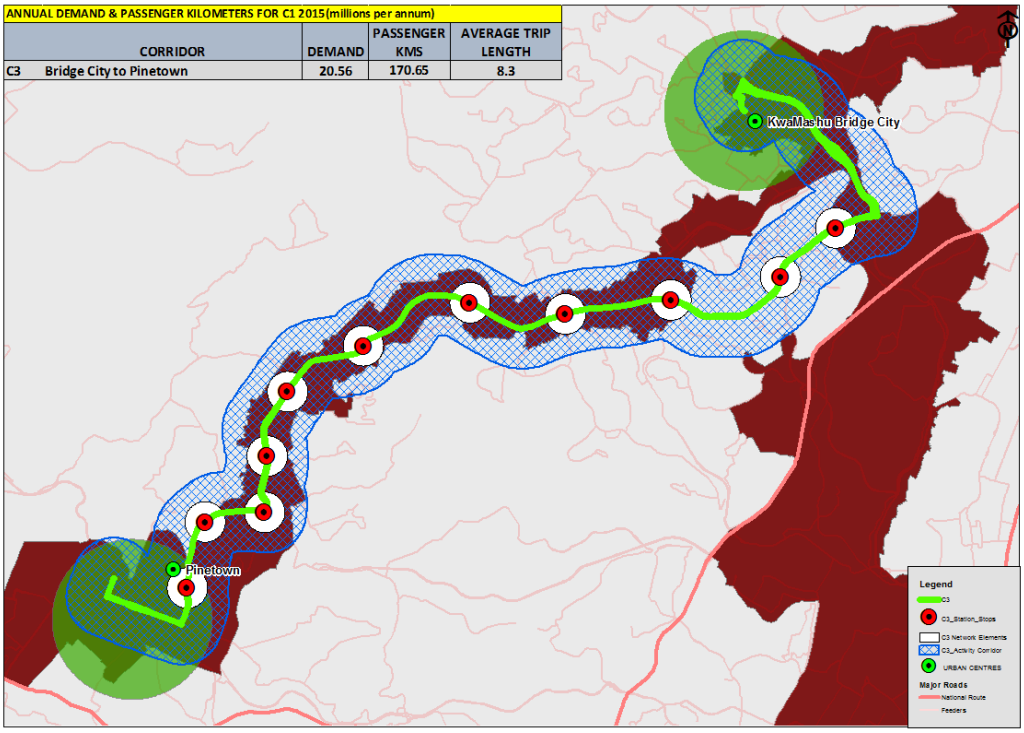
The rail network is managed by PRASA, and the road-based public transport network is managed by eThekwini.

Phasing		% Trunk – Feeder Trips
Phase 1	C3	25%
	C1	
	C9	
	C2 (Rail)	40%
Phase 2	C5, C7	20%
Phase 3	C4, C8	9%
Phase 4	C6	6%

Phase 1 in relation to the Prime Investment Corridor

Urban Network Strategy Elements (Phase 1)

C3 Corridor (Bridge City to Pinetown)

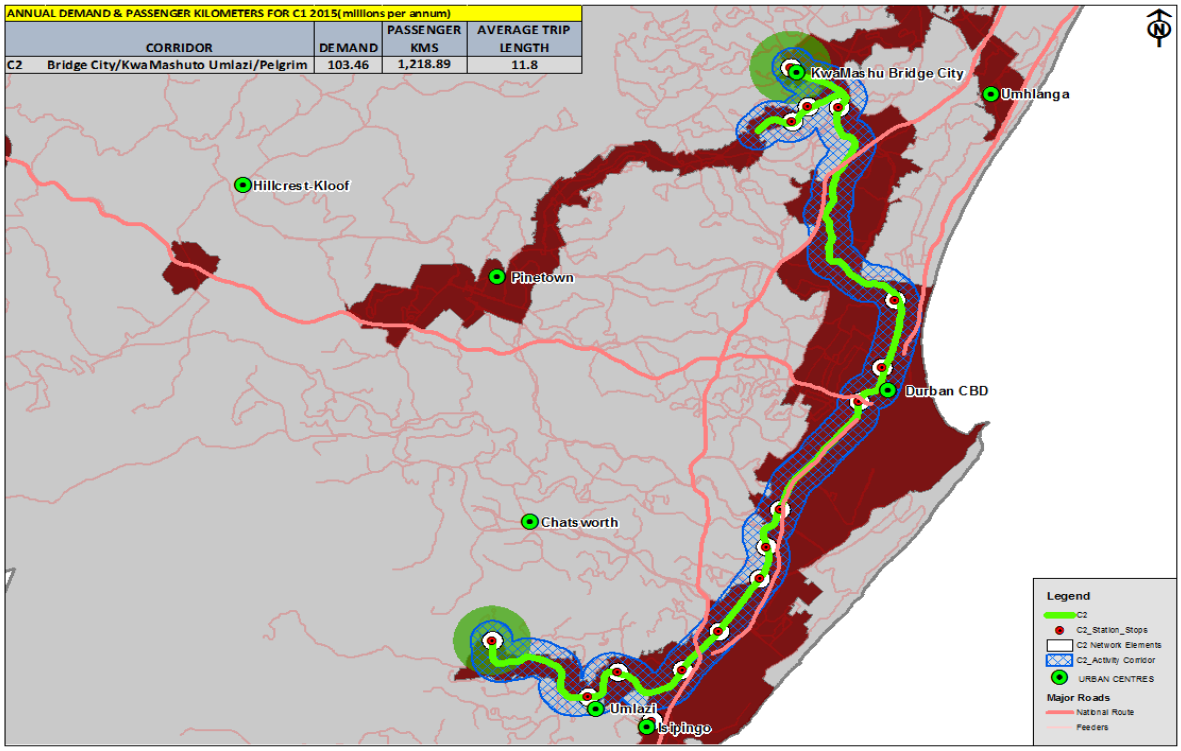


Urban Network Strategy Elements

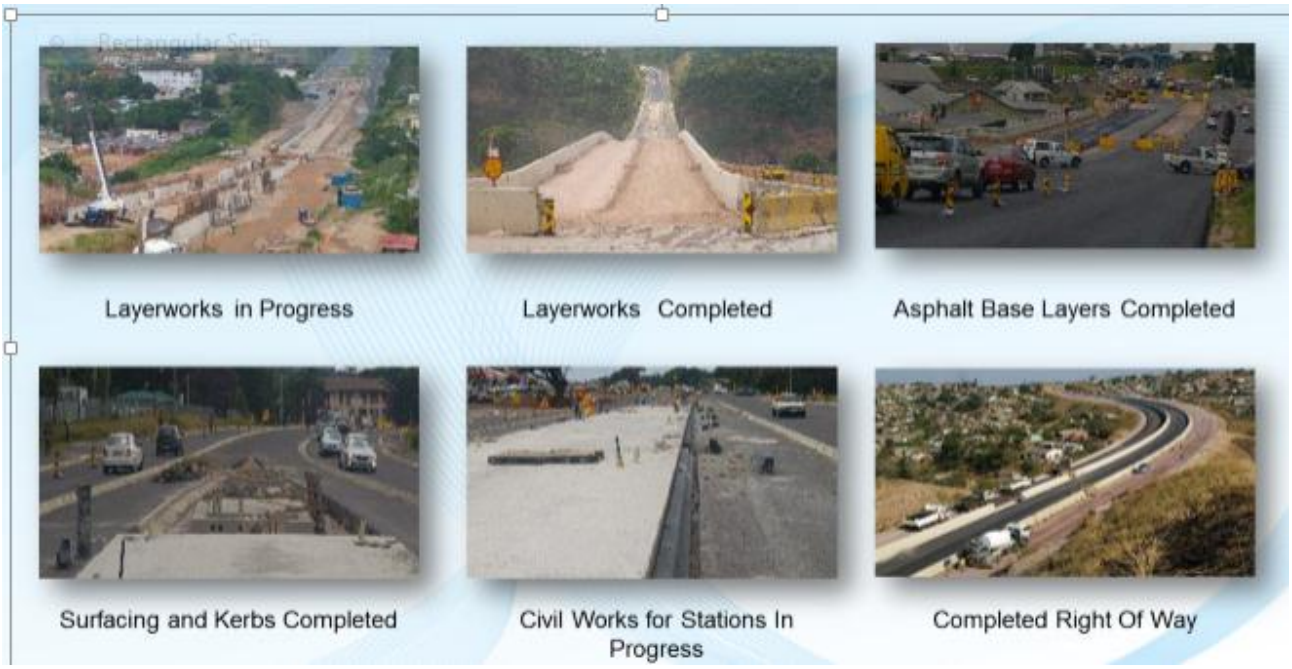
	Network Element	Description	Intervention
1.	Pinetown CBD	Pinetown CBD is the central business district of the Pinetown region. For the purpose of the Urban Networks strategy, the main focus of the CBD is on public transport modal facilities.	Regeneration and management
2.	C3: Primary Transport Link	C3 is the Primary Network at a city-wide scale and consists of anchor nodes, i.e. the Pinetown CBD, the Urban Hub (Bridge City), Public Transport Link and Activity Corridor between these anchor nodes (C3 trunk corridor and station precincts).	Develop/Upgrade and management
3.	Activity Corridor/ Integration Zone	The Activity Corridor is located between Pinetown CBD and the Bridge City Urban Hub and consists of a belt of land approximately 2 km wide adjacent the C3 link with a number of corridor nodes [established and emerging i.e. station precincts] along the corridor.	Infill and Densification Transit-oriented-development
4.	Bridge City: Urban Hub	Bridge City - Urban Hub is a new regional node located strategically within a cluster of townships of the INK Area. It functions as a "town centre" for the surrounding cluster of townships and provides access to the rest of the wider urban area. It is planned and developed as a high density, mixed use precinct that contains a diverse variety of land uses, services and activities.	Mixed use development and management
5.	Secondary Transport Links: IRPTN feeder network	The network at the scale of the township or a cluster of townships. It includes the Urban Hub and a number of Secondary Nodes (IRPTN station precincts) as well as Secondary Transport Linkages (IRPTN feeder services) between these nodes.	Develop/Upgrade

C2 Corridor (Rail)

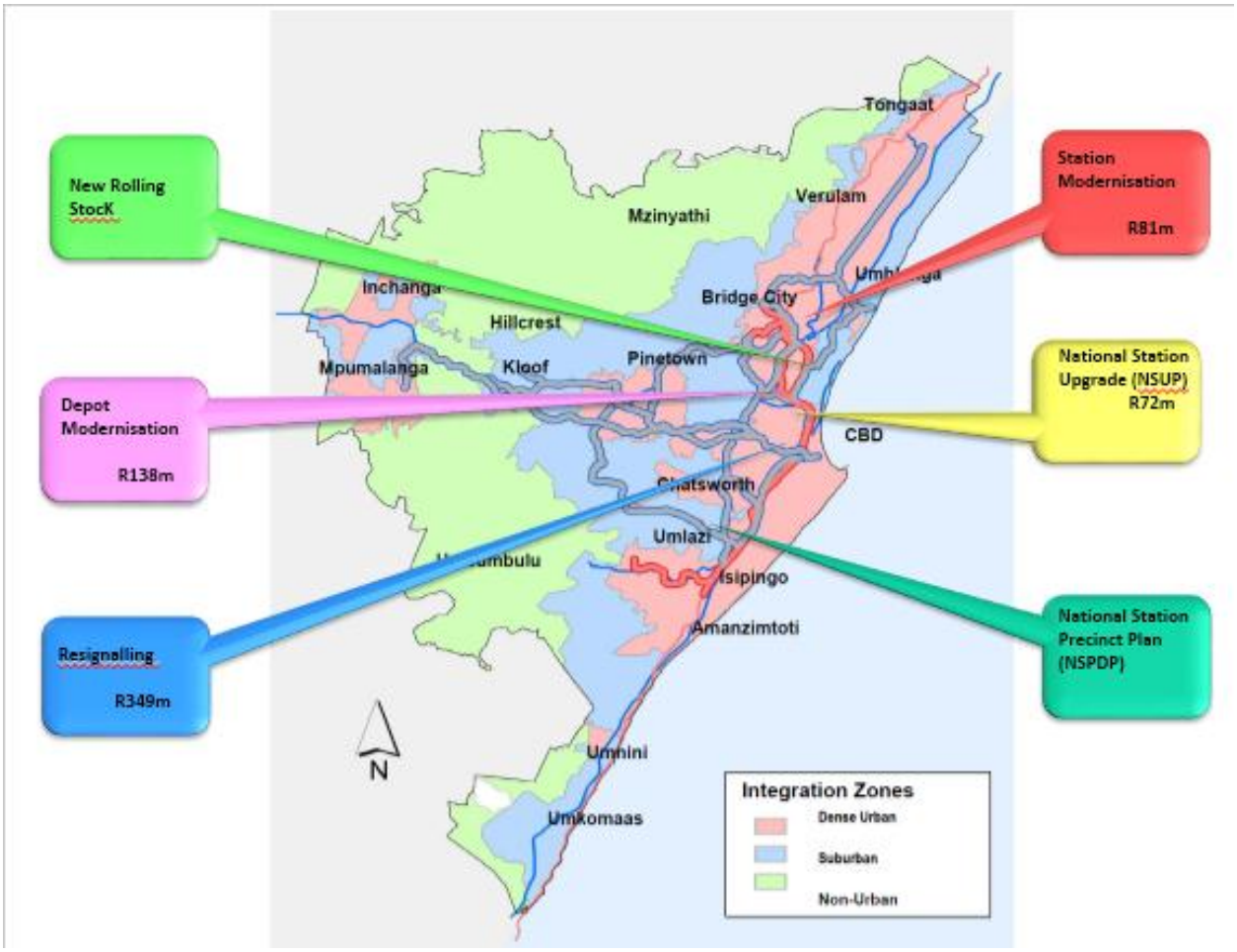
ANNUAL DEMAND & PASSENGER KILOMETERS FOR C1 2015(millions per annum)				
	CORRIDOR	DEMAND	PASSENGER KMS	AVERAGE TRIP LENGTH
C2	Bridge City/KwaMashuto Umlazi/Pelgrim	103.46	1,218.89	11.8



The C3 corridor is undergoing substantial construction work at present in order to put in place the BRT Right of Way routes and stations. The pictures below attest to the implementation of the programme.



C2 Corridor (PRASA Intervention)



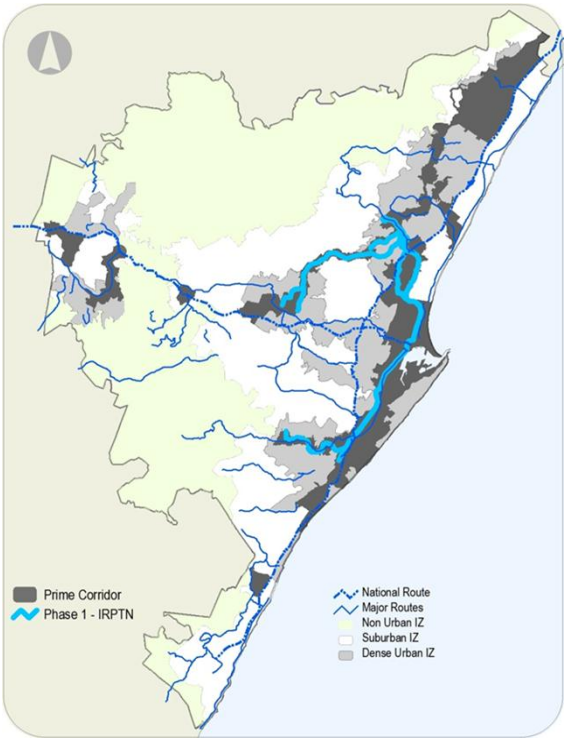
PRASA is investing significantly in the C2 rail corridor as can be seen from the budget allocations to the various programmes on the map above. The latest budget figures that were provided by PRASA at the February 2017 mid-year budget review process are reflected in the table below.

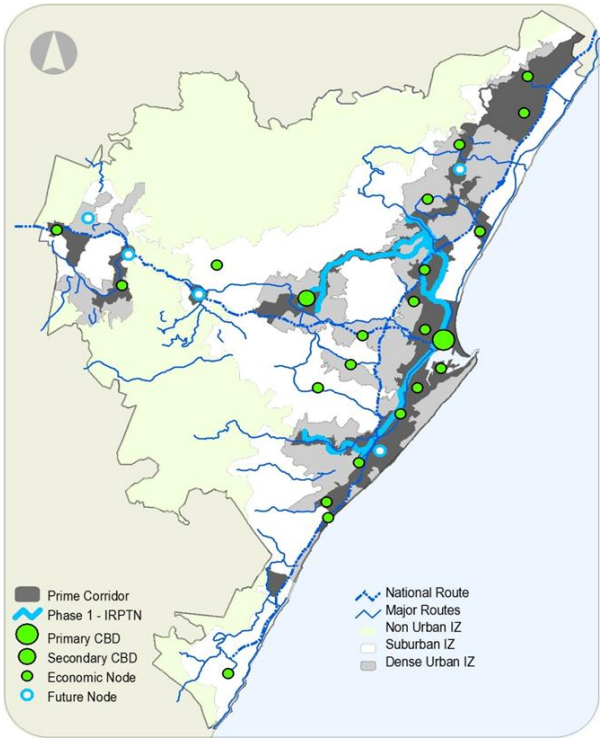
PROJECT	**2016/17**	**2017/18 (planned budget)**
Depot Modernisation	R 138m	R130m
Station Modernisation	R 81m	??
Station Upgrades	R 72m	R 123m
Resignalling	R 349m	R 343m
TOTAL	R 640m	

C2 Implementation pictures

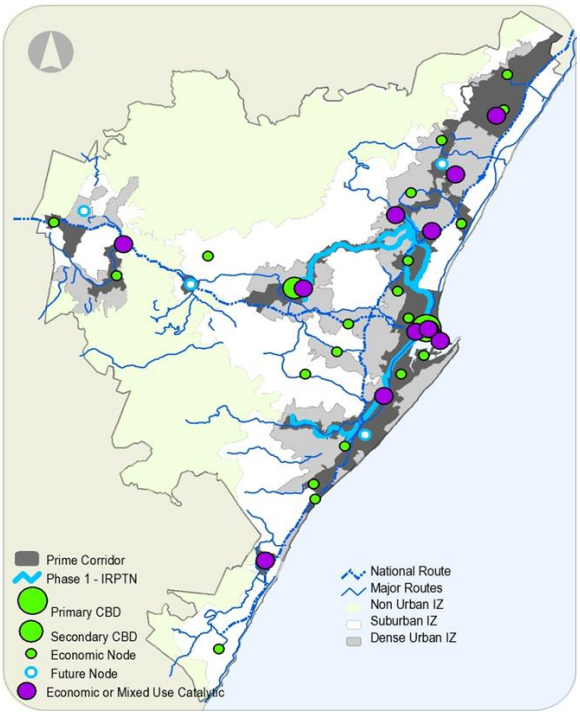
The success of the IPTN relies on the north-south rail network operating efficiently and the instability within PRASA nationally is a significant risk to implementation programmes and eThekwini will need to monitor this closely.

IPTN Response to key sector programmes

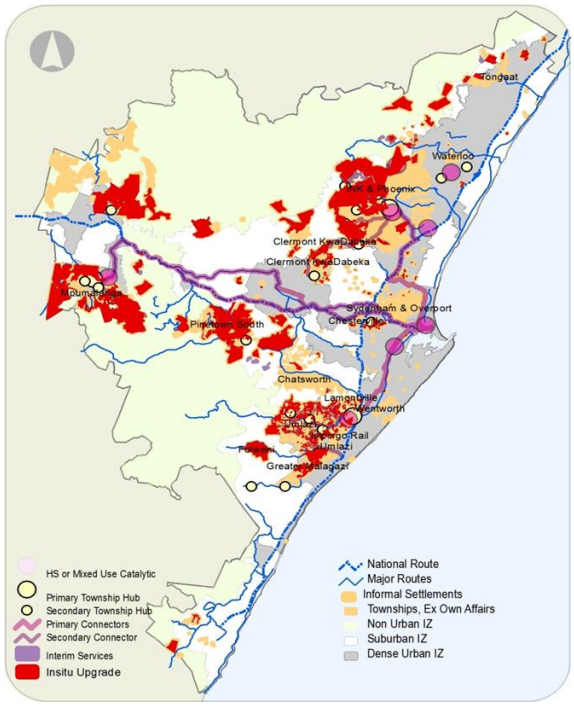




IPTN Phase 1 response to Prime Investment Corridor



IPTN Phase 1 response to Economic Nodes



IPTN Phase 1 response to Catalytic Projects

IPTN Phase 1 response to Marginalised Areas

CATALYTIC PROJECTS

Catalytic projects are projects that have impact on a mega scale such as sub regional, regional and metropolitan scale. The impact in this case is measured in terms of the number of jobs created (permanent and temporary), promotion of mutually reinforcing mixed use, rates income in the foreseeable future (3-5years) and will lead to positive spinoffs in terms of generating or catalysing other projects.

Using the abovementioned criteria, catalytic projects were placed into 3 categories namely, those that are in or nearing the implementation stage (Category A), those that are still at planning stage (Category B) and those that are an extension of current developments and/or malls (Category C). Depending on progress in obtaining key clearances such as environmental clearance, water-use licence, land legal issues, etc. and the requisite confirmation of budgets, the project can be catapulted to category A. The catalytic project list is a dynamic one which hinges on progress made by private and public sector collectively or respectively, and means projects are added on an on-going basis based on meeting the relevant criteria.

Category A - In or Near Completion

- Cornubia
- Dube Trade Port
- Keystone
- IPTN
  - C3 Corridor
  - C2 Corridor

Category B: - In Preparation

- Auto Supplier Park
- The Brickworks
- Cato Ridge
- Clairwood Logistics
- Durban Film City
- Durban Iconic Tower
- Finningley Estate
- Inyaninga
- Kings Estate
- Ntshongweni
- Rivertown Precinct
- Virginia Airport

Category C: Extensions and/or Malls

- ABI
- Beverley Hills Ext.
- Durban Marina
- Oceans uMhlanga
- Pavillion Ext

For the purposes of this BEPP, projects that are in or near Implementation (Category A) are reported on as:

- they fall within or close to the Prime Investment Corridor;
- they are game changers in that their nature and scope will impact significantly on spatial form;
- they are in the Implementation Phase, alternatively they are well advanced in the Preparation, Phase, or they have been strongly prioritised politically; and/or
- they are intended for substantial completion within a decade.

A brief summary of the background and progress of each of the Category A projects is provided below, as well as figures (where available) of their anticipated socio-economic impact, and approach to investment, land release, procurement and urban management.

ECONOMIC & MIXED USE CATALYSTS

CORNUBIA SOUTH MIXED USE	CORNUBIA NORTH MIXED USE

PROJECT DESCRIPTION

The Cornubia Integrated Human Settlement development is a joint venture between the National, Provincial Departments of Human Settlements, eThekwini Municipality and Tongaat Hulett Developments, and is set to be eThekwini and the Province's largest sustainable integrated Human Settlement initiative. Cornubia will be a mixed-use mixed-income development, incorporating industrial, commercial, residential and open space uses.

SOCIO ECONOMIC BENEFITS

- **Investment Value** R25 billion
- **Annual Rates** R300 million
- **Construction jobs** 15 000
- **Permanent Jobs** 48 000

PROJECT STATUS

- Phase 1: Residential: Phase 1A (486 units) complete and occupied; Phase 1B (2,186 units) – underway. Industrial: CIBE – 70ha industrial estate infrastructure complete & 100% sold. 11 factories built and operational.
- Phase 2: Cornubia Business Hub & N2 Business Park -currently under construction, all sites sold. Flanders Drive Interchange - upgrade and bridge over N2 linking in UNTC underway. Residential: - consultants undertaking the planning of the various sub-phases.

INVESTMENT STRATEGY

- The city together with the private sector partner (THD) are jointly investing in the bulk infrastructure to allow for the release for land for commercial and social purposes.
- A CBA (Cost Benefit Analysis) has been undertaken, which shows the positive return on investment.

LAND USE STRATEGY

- Public land set aside for commercial and industrial purposes to be released via a public tender process.
- Private sector land developer, sells land to property developers via normal private sector market driven sales approach.

PROCUREMENT APPROACH

- Public sector procurement will be via a public tender process for both the construction of the relevant bulk services as well as for the release of the land for commercial development.
- The private sector partner procures via an invited tender, but is guided by where possible is guided by the cities SCM policies in terms of empowerment requirements.

URBAN MANAGEMENT APPROACH

- Management Associations are created via a condition of sale, which provides top up services to the

municipal services in terms of cleaning, security, landscaping, etc.

- Public sector housing precincts to be serviced via standard Municipal maintenance procedures.

KEY ISSUES AND CHALLENGES

- Bulk Services Provision: In order for the broader development to roll out in a planned phased manner as market demand dictates, requires an agreement around how and when the relevant bulk services are rolled out and how the cost contributions thereof are calculated.
- Affordable Housing by Private Sector: Current cost contribution ratios make it unaffordable for the private sector partner to market land for the affordable housing sector.

SOUTH PUBLIC TRANSPORT DENSIFICATION CORRIDOR

PROJECT DESCRIPTION

The southern densification corridor is a transit oriented development initiative that aims to densify mixed use development within the corridor and its three nodes (Montclair, Umbilo and Umlazi W section).

This corridor connects under developed parts of the City to economic opportunities and will dismantle spatial segregation. It will also maximize mixed use opportunities along the transportation corridor.

SOCIO ECONOMIC BENEFITS

Investment Value	R 2,5 billion
Annual Rates	not yet determined
Permanent Jobs	1 000
Other benefits	Affordable Housing, Student accommodation, Improved neighbourhood that is safe, Improved quality of the physical environment

INVESTMENT STRATEGY

SOUTH PUBLIC TRANSPORT DENSIFICATION CORRIDOR: KING EDWARD NODE

PROJECT DESCRIPTION

- Part of the Southern Densification Corridor
- 650 New Units
- Old Sports Club owned by eThekwini
- 325 Mill, Private or PPP

KEY ISSUES AND CHALLENGES

- Most developers want freehold rights on the land, which goes against the City's position on long term leases.
- Social housing grant constraints which limit desirable densities.
- Developers prefer to develop monolithic use as opposed to complete mixed use which then defeats the objectives of the site.

LAND USE STRATEGY

PROCUREMENT APPROACH

URBAN MANAGEMENT APPROACH

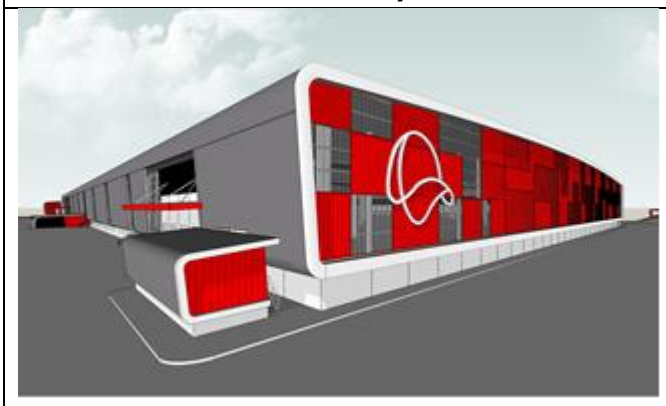
PROJECT STATUS

- The developer appetite has been tested through socio-economic survey and market analysis
- Rezoning of all 3 nodes has been completed and infrastructure analysis for Umbilo is complete.
- Infrastructure funding allocation has been done through line departments of the City.

KEY ISSUES AND CHALLENGES

- Most developers want freehold rights on the land, which goes against the City's position on long term leases.
- Social housing grant constraints which limit desirable densities.
- Developers prefer to develop monolithic use as opposed to complete mixed use which then defeats the objectives of the site.

KEYSTONE INDUSTRIAL (WESTERN SUB-METRO CATALYST ON SIP2)



PROJECT DESCRIPTION

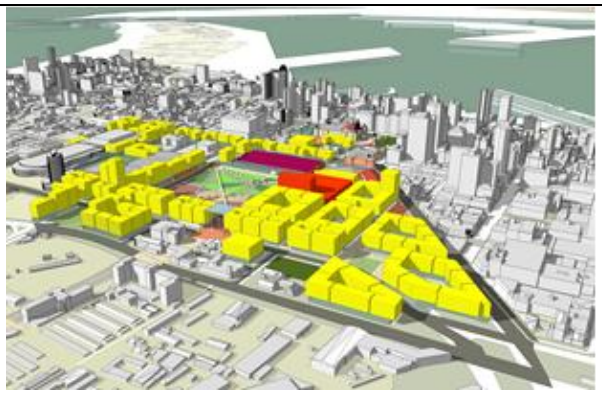
This is a logistics park of 1 000 ha of logistics and light industrial land to catalyse development along the MR385 corridor in the Outer West region.

The current contracted clients to take up 120 000m2 is Mr Price and Ackermans with a number of big logistic companies having committed to the developer. These include City Couriers, MaldaPak, Safintra etc. The site is located along the N3/SIP 2 Corridor on Keystone Farm in Hammarsdale/Mpumalanga Region.

SOCIO ECONOMIC BENEFITS

- Investment Value R6 Bn
- Annual Rates R0.2
- Construction Jobs 3500
- Permanent Jobs 6500

INNER CITY - CENTRUM



PROJECT DESCRIPTION

The Centrum site is a proposed development that includes the Integrated Rapid Transport Network (IRPTN) station, an extension of the ICC, the development of a hotel to support the ICC, the expansion of the present retail area together with the redevelopment of Gugu Dlamini Park. It will also include the City Library, Council Chambers and residential developments.

SOCIO ECONOMIC BENEFITS

- Investment Value R 9, 3 Bn
- Annual Rates R 67 M
- Construction jobs 3 350
- Permanent Jobs 1 350

PROJECT STATUS

- The urban design concept is complete

- Other Benefits 152 ha Serviced Land

PROJECT STATUS

- **Electricity**: New permanent Eskom supply cables are installed. Mr Price Distribution Centre was activated on the 10th of October 2016.
- **Water and Western Aqueduct Link**: eThekwini Water Dept. has delivered the required length of steel pipes for the portion of this link running through the new Keystone Park. The 500mm pipe is being installed in tandem with Hammarsdale Precinct Services Infrastructure installation works, to complete the link to the existing 9Ml municipal water reservoir.
- **MR385**: Discussions between DOT, the Developer and eThekwini Municipality are underway to upgrade the MR385.

INVESTMENT STRATEGY

Private Initiative

LAND RELEASE STRATEGY

Private Ownership

PROCUREMENT APPROACH

N/A

URBAN MANAGEMENT APPROACH

N/A

KEY ISSUES AND CHALLENGES

- The MR385 is still a provincial road thus making the City's investment on it a challenge.
- Funding required for major infrastructure upgrade remains a challenge
- Water us licence challenges
- Consensus on the methodology to be used to upgrade the MR 385 has not been reached.
- Negotiations with Public Works to consolidate their facilities on site are at an advanced stage.
- Terms of reference for the appointment of the transactional advisor to develop a negotiated development model are complete.

INVESTMENT STRATEGY

Land preparation, packaging and servicing or development. Municipality considered to act as primary developer with the objectives of maximising development potential of site and getting a balanced mix of tenants and owners as it is intended to compliment ICC and consolidate government office stock including public facilities.

LAND RELEASE STRATEGY

Land is expected to be released in a phased approach to municipal departments and entities and also to other spheres of government who have shown interest.

PROCUREMENT APPROACH

Procurement of a development consortium comprising of a mix of built environment consultants advance urban design to detail design and through appointment of contractors and concessionaires, build the required infrastructure to support the development of individual sites.

URBAN MANAGEMENT APPROACH

Considerations of a management association which would include ICC or be incorporated into the prevailing urban management structure promoted or in place within the Inner-City boundary.

KEY ISSUES AND CHALLENGES

- There are difference understandings by various City departments regarding the site development.
- There are delays in finalizing the SCM for the library.
- There are also funding constraints for the bulk infrastructure (parking constraints)

INNER CITY - POINT WATERFRONT

PROJECT DESCRIPTION

The new vision for the Point Development is predicted on maximising the use of the area, both by permanent residents and temporary visitors. This will be achieved by a network of vehicular and pedestrian connectivity that will link to and extend the existing beachfront promenade along Vetch's Pier, around to the northern harbour edge, populating the space in between with multi-storey structures offering residential, office, retails and leisure infrastructure. Bus access will be aligned to eThekwini's Integrated Rapid Public Transport Network (IRPTN), promoting public transport into and out of the precinct. Future development of the cruise terminal and linkage onto the promenade and hotel development provide linkages from Point to the Blue lagoon.

SOCIO ECONOMIC BENEFITS

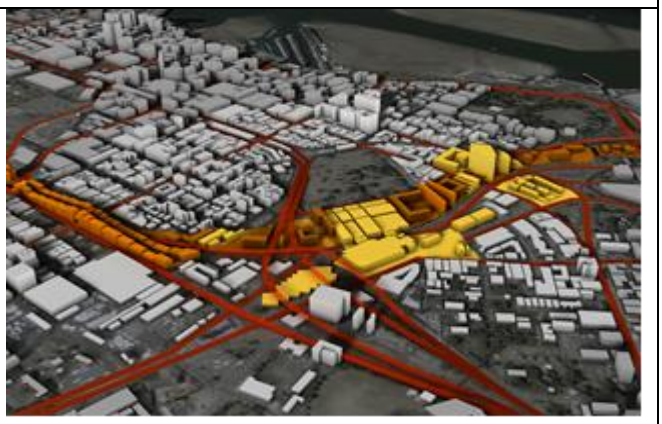
- Investment Value R40 Bn
- Annual Rates R200 M per annum
- Construction jobs 11 000
- Permanent Jobs 6 750

PROJECT STATUS

- Infrastructure to support Phase one of the development is underway (internal road layout and waste water infrastructure relocation, water reticulation infrastructure and promenade extension.
- Negotiations to align with the cruise terminal plan are currently in process with Transnet.
- The programme for Mahatma Gandhi road and Back of Beach has been developed (to resolve security, maintenance and dilapidated buildings) in order to coincide with the launch of the Point Waterfront.

INVESTMENT STRATEGY

INNER CITY - WARWICK



PROJECT DESCRIPTION

Warwick precinct redevelopment project aims to restructure transport facilities and operations, as well as social economic activities and social fabric, within a wider strategic framework for the area.

- Projects underway in the Warwick area include: Berea Station Mall, taxi holding facility, creation of a cold room storage, informal trade infrastructure upgrade
- Crucial in promoting linkages between work and residential destinations
- The Precinct accommodates vast number of commuters and therefore the area has developed into a major economic node boasting student accommodation, retail and housing opportunities.

SOCIO ECONOMIC BENEFITS

- Investment Value R 1.3 Bn
- Annual Rates R 250 000 per annum
- Construction jobs 3 500
- Permanent Jobs 2 670

PROJECT STATUS

- Urban designs and building plans complete for the mall and taxi facility and awaiting city's approval.
- Memorandum of Agreement (MOA) is ready to be signed by all three parties
- Draft Council report for budget approval complete awaiting for the signed MOA

INVESTMENT STRATEGY

N/A

LAND RELEASE STRATEGY

There is no land release on this project since were upgrading existing infrastructure and re-purposing buildings to accommodate more informal traders and

Public investment in infrastructure with FDI investment to take up the bulk unlocked by the infrastructure investment for development. Both public investment in infrastructure and private investment in mixed use developments is phased over a period of 10-15 years.

LAND RELEASE STRATEGY

Our FDI partners are the development partners and are releasing land for development in a phased approach and have commenced with retail and hotel through RFP. The approach has had lacklustre results prompting.

PROCUREMENT APPROACH

Durban Point Development Company is Appointed as Implementing Agent for the bulk infrastructure project this includes design, procurement and project management).

URBAN MANAGEMENT APPROACH

There is an existing management association responsible for maintenance of public infrastructure, landscape services for hard and soft surfaces and security through surveillance and patrols. Durban Point Management Association is a section 21 company with a constitution and a functional Board of Directors. It is currently funded through a grant in aid under section 67 of MFMA and levies from homeowners.

KEY ISSUES AND CHALLENGES

- Possible future construction delays due to extreme wave action on the coastline.
- Unpredictable raw material costs due to the rand/dollar fluctuation.
- Urban management issues associated with Mahatma Gandhi and Back of Beach precinct are likely to affect the project if not addressed by the launch date.

ancillary uses

PROCUREMENT APPROACH

There is an MOA that has been drafted between PRASA, eThekwini Municipality and the Fundamentum which states that the developer will be used to implement all the council proposed projects, i.e. taxi facility and informal traders' stalls due to the complexity in the site.

URBAN MANAGEMENT APPROACH

ITRUMP are the urban management that will be used to maintain and manage the infrastructure as they are doing currently. The intention is to add capacity where it is lacking and provide additional resources required to manage the entire precinct.

KEY ISSUES AND CHALLENGES

- Delays in signing of the MOA by PRASA and the developer.
- Infrastructure funding shortages
- Potential community conflicts based on previous projects

ECONOMIC NODES

3 nodal categories (established, emerging and declining) & high level intervention strategy for each category
Work in progress- further detail to be provided in April/May.

The Spatial Economy: Nodes of Growth, Stagnancy and Decline

The eThekwini spatial economy is structured by the coastline to the east, the port in the central area, the east-west N3 freeway and the north-south N2. Despite the gains made towards spatial integration, these have been largely class-based, while the apartheid spatial fragmentation which relegated Black South African's to the urban fringe is still the circumstance that the urban, Black, poor find themselves in. Economic agglomerations in the form of industrial concentrations occur to the south and west of the port (Southern Industrial Basin), Pinetown-New Germany and a growing retail and services concentration in the north around Umhlanga. More recently the development of Dube Trade Port IDZ has attracted investment in the productive sectors. The traditional retail and services concentration which forms the Durban CBD has come under pressure with increasing office vacancies and declining investment in the privately-owned buildings. Major concerns have arisen around issues of urban management and crime. Despite this, emerging development activity has been noted by developers investing in inner city buildings at the precinct level, aimed at seeking to foster a new wave of urbanism, targeted at SMEs, young business people, students and those seeking the utility of the inner city. There has been notable growth around the fringes of the Inner City.

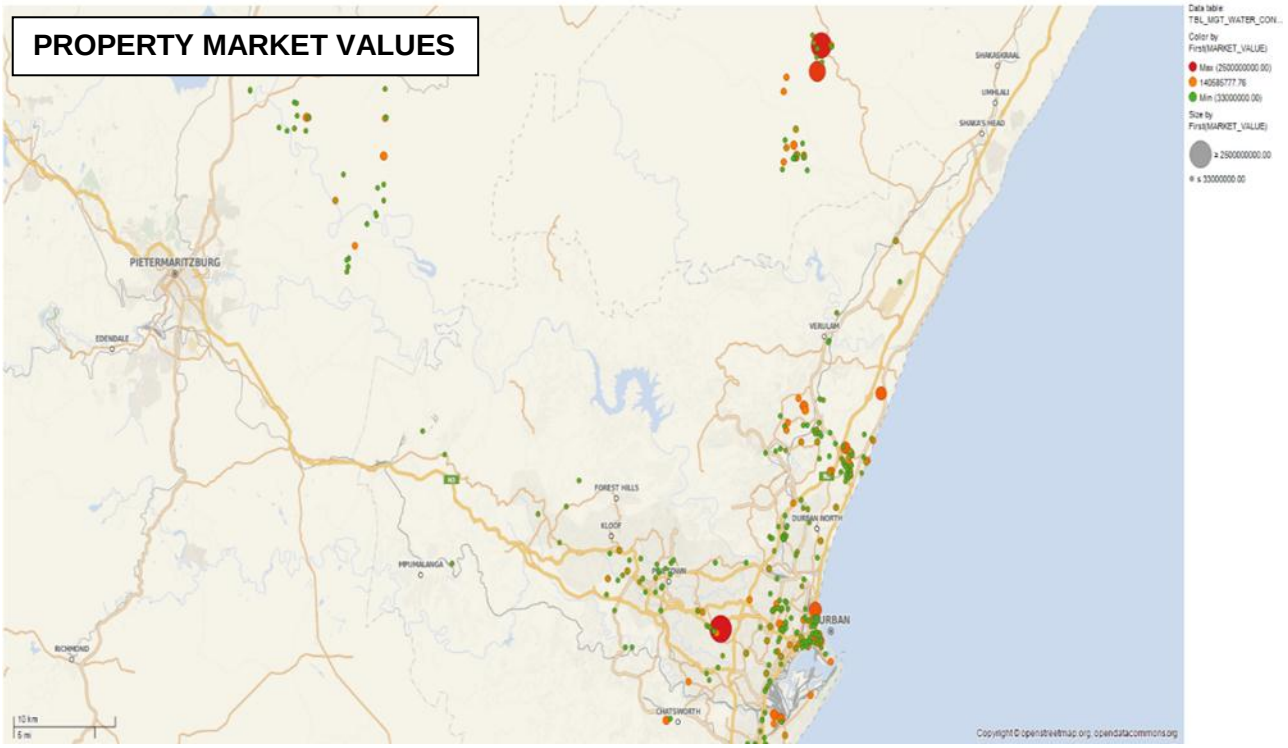
The metro area is also characterized by numerous secondary CBDs which are old town centres that grew over time to ultimately form part of the metro area. The Council has a renewal programme which includes investment into the public domain of these nodes, as well as improvements in urban management. In addition, there are a number of catalytic projects targeted in the Inner City as well as in the northern and western corridors that seek to stimulate investment and economic development.

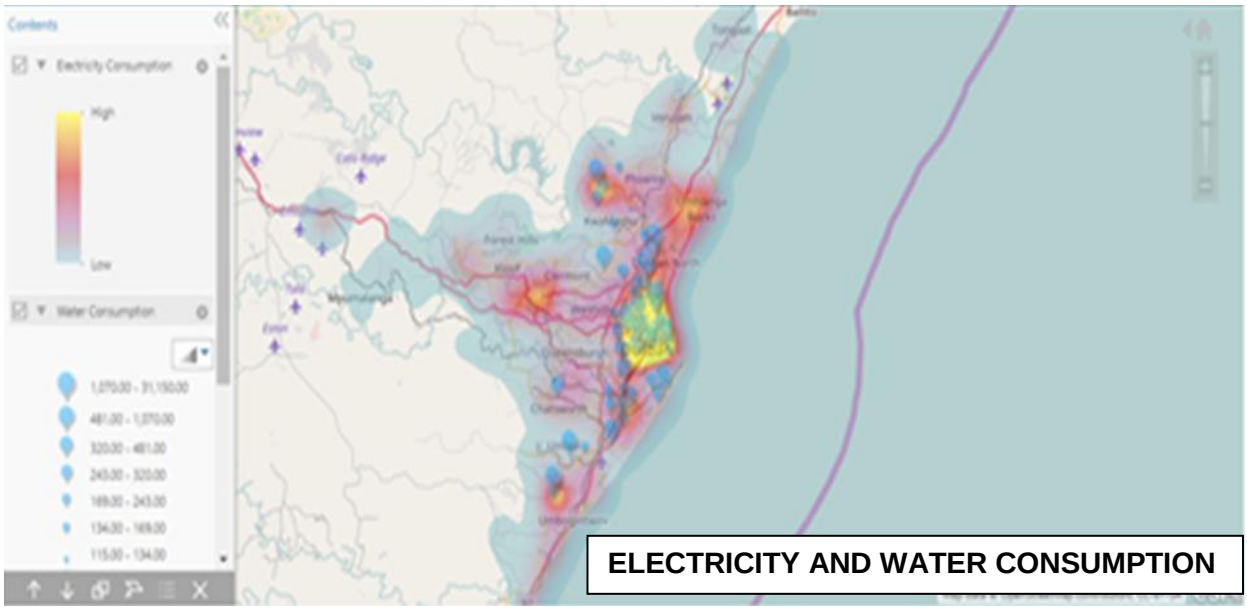
In terms of economic performance, it must be pointed out, that despite the efforts of National Treasury, through the ERLN, national departments and agencies that hold valuable data for local planning, have not shared this data with the City. Aggregated data from SARS, UIF statistics from the Department of Labour, the CIPC, and so forth, have not shared any data with the City. This has resulted in a dearth of local economic data, which the City is attempting to resolve, through processes that will take a long time to reach fruition. Hence spatial-economic data is not readily available.

Against this backdrop, the municipal Economic Development & Investment Promotion Unit have attempted to access required data from various sources across the spheres of government. These attempts were unsuccessful as data was declared 'confidential' and 'not for circulation'. Subsequently, Economic Development and Investment Promotion Unit (ED & IP) together with the Information Systems Unit embarked on the development of a Spatial Economic Database of Business which will provide information on business location, size, type and jobs created amongst other important fields. A data warehouse of City administrative data was created. The sources included revenue data, example, water and electricity consumption, valuation roll data, service provider database amongst other available sources. This approach was a testing ground for the creation of comprehensive business data for the jurisdiction of eThekwini and a critical source of information for forward planning.

Whilst the Spatial Economic Database was an internal initiative it did not have the required detail/fields to sufficiently inform forward planning or access economic performance of the City. The tool is however, at its pilot stage and attempts to extract analysis for economic forecasting and reporting is underway. The following analyses are a few outputs which may be deemed reliable as economic indicators and performance in the City.

The property values are an indication of rates revenue generated by the City. Major investment in property lies alongside the national N2 freeway along the coast as well as extending alongside the western N3 Corridor. These values include both residential, commercial and industrial properties. It is also noted that the Dube Trade Zone, a fairly new growth area, reflects similar high value property, indicating that the increase in investment in the industrial and commercial sector is significant. This dataset, through analysis of the change in property values between Valuation Roll updates, holds significant potential for determining Economic Nodes that are growing and those in decline.

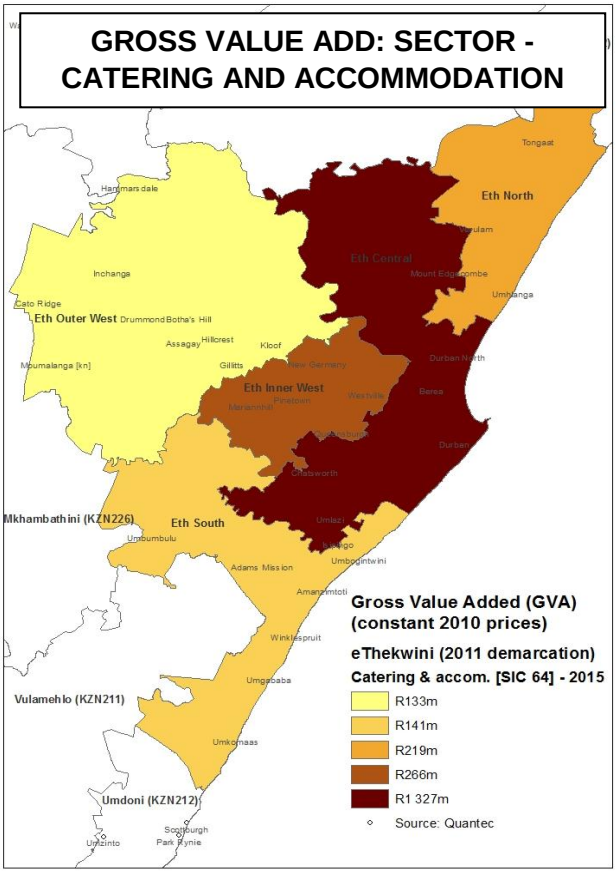


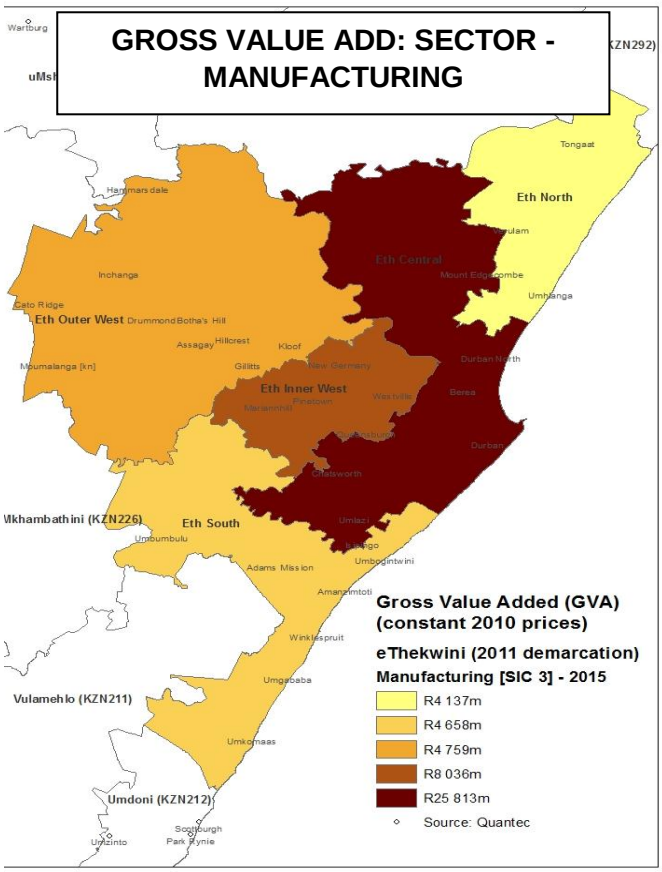


The evaluation of water & electricity consumption is another dataset that provides some insight into growth and decline. The Figure indicates the water and electricity consumption eThekwini-wide. High consumption is noted in the Central Region where economic activity is prominent, however, the demand in the Inner-City Region reflects a demand in the industrial areas for water and electricity utilities. The Inner-City Region is primarily industrial and commercial with feeder residential areas.

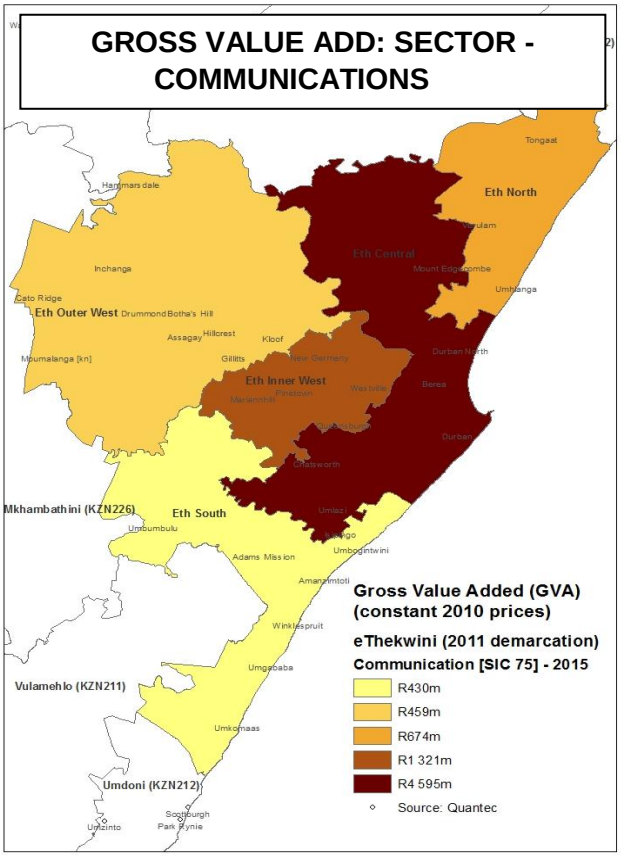
Analysing the geographic location of key economic growth sectors sheds further light on how the municipality might, where appropriate, target its functions spatially in support of growing and declining nodes. Below are various maps showing the geographic location of key economic sectors.

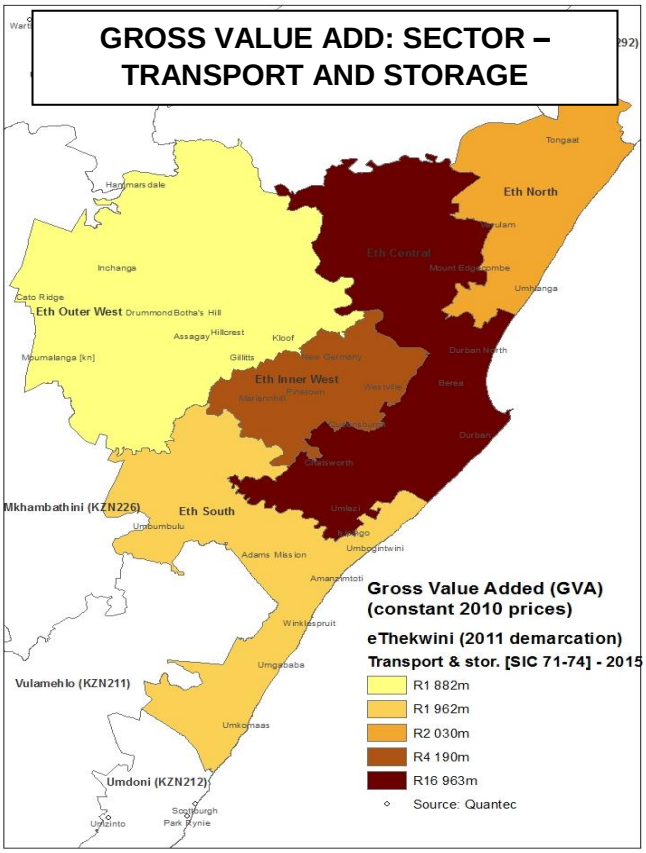
Significantly, 63.5% of Catering and Accommodation GVA is generated in the Central Region followed by 12% in the Inner West and 10% in the north.



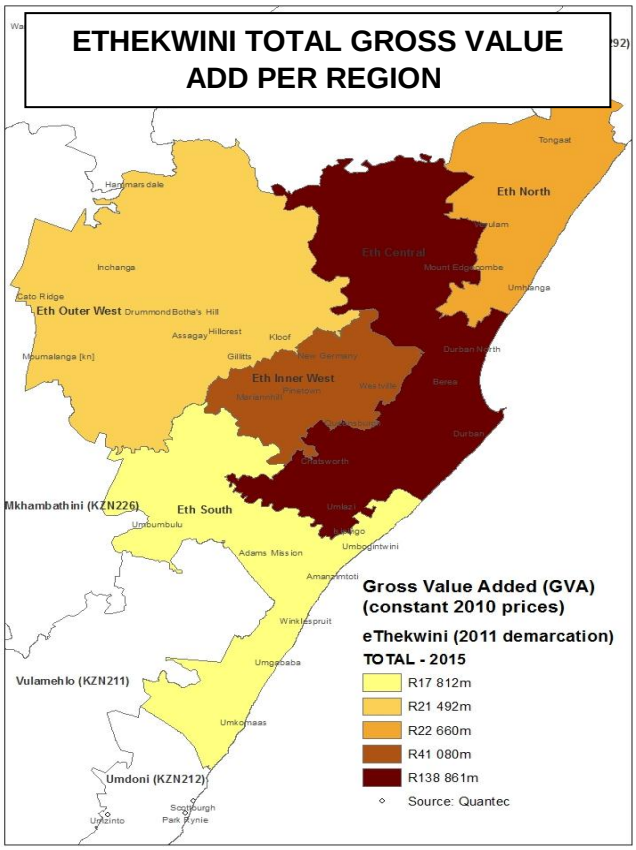


The map above depicts the GVA contribution by the Manufacturing Sector per region namely: north, south, west and central within the eThekwini Municipality. An estimated 54% of all manufacturing GVA occurs in the City's Central Region followed by 17% in the Inner West. Statistics indicate that the proportion of manufacturing GVA increase marginally in the northern and both western regions and decreased in the Central Region. This could be an indication of the exodus of industrial activity and investment to the north of the City. A slight proportional decrease has been noted in the southern regions.





The above map depicts GVA in the postal, telecommunication, and information services, computer programming, broadcasting, film-making, publishing and business process outsourcing sectors. Approximately, 61.4% of the City's Communication sector GVA can be accounted for in Central Region. However, a proportional decrease has been noted in Central since 2010 when GVA in the Communication sector was 64%. All other regions in the City have noted a proportional increase in Communication sector GVA.



The largest proportional representation in the Transport and Storage Sector lies in the Central Region, it accounts for 63% due to the Port activities. In the Outer West 7% and the Inner West which lies along the western arterial accounts for 15.5% of GVA. It is noted that the T-zone or the Integration Zone that sits along the coast and extends to the western areas accounts for over 85.2% of all GVA in the Transport and Storage Sector. In 2010 85.7% GVA contribution was noted along the same route, indicating, a proportional decrease in 2015. Most of the decrease may be attributed to the increase in industrial and trade activities in the Northern Regions.

The map above depicts the GVA for the entire eThekwini Municipal Area. Almost 60% of GVA is generated in the Central Region. The Central and Inner West Regions account for almost 75% of all GVA generated in eThekwini.

DECLINING INDUSTRIAL NODES- FOR REVITALISATION

Introduction and Background

Recent studies indicate a significant decline of the industrial sector within eThekwini Municipality. Similarly, industrial areas in the South African context are desperately in need of intervention as many industrial sites in ideal serviced locations have become dilapidated and are now no longer being utilized to their full potential. These sites have become contaminated due to negligence which may be attributed to various reasons, however, at the same time it creates a unique opportunity to inject change in response to emerging trends. The eThekwini Municipality is committed to improving the quality of life and living environments for all citizens described in the IDP, and one way to achieve this is to boost its industrial sector at all levels, thereby improving the aesthetics of the physical environment, attracting more investment and creating jobs.

Whilst it is known that there are several factors that directly and indirectly impact the industrial sector such as – (a) government policies, (b) delays in the planning process, (c) the high cost of industrial land, (d) the costs for bulk infrastructure and services, (e) environmental challenges, (f) poor investor confidence / incentives, (g) global and local economic conditions and (h) poor branding, the approach for this study is to employ an urban design lens to generate a framework that would principally guide and inform a set of clearly informed projects to be achieved in the short, medium and long term. Ultimately, the outcome of these projects is to rejuvenate these declining industrial areas which must be measurable and evaluated against an agreed set of objectives.

Project Deliverables

This project is the City's initiative to explore and learn from the 3 pilot case studies. The project will also generate implementable upgrade plans for New Germany, Prospecton and the Bayhead areas. The second important deliverable of this project will provide guiding framework to engage re-development in all declining industrial areas across eThekwini. Project outputs include the following:

Urban Design Upgrade Plans

The first output in this project requires the development of urban design framework plans to revitalize three major industrial regions in the eThekwini Municipality described in the attached – 1. New Germany 2. Bayhead and 3. Prospecton shown on MAP 1/2/3.

Map 1: New Germany
Pictures too large to include and have been excluded

Map 2: Bayhead
Pictures too large to include and have been excluded

Map 3: Prospecton
Pictures too large to include and have been excluded

EThekwini Industrial Revitalisation Framework

The second output for this project pertains to the development of an Industrial Revitalisation Framework for eThekwini Municipality. This Framework strategy should be implementable across the City for the purposes of revitalizing and upgrading industrial areas. This Framework should be guided by international best practice models as well as learnings emanating from the Industrial Revitalisation Urban Design Upgrade Study of the three enlisted case areas.

It is imperative that the Framework strategy pays particular attention to the following pillars (but not limited to these) identified as key to the enquiry in the Prospecton, New Germany and Bayhead case studies and should form the building blocks (but not limited to those stated below) in the

proposed Industrial Revitalisation Framework for the entire City:

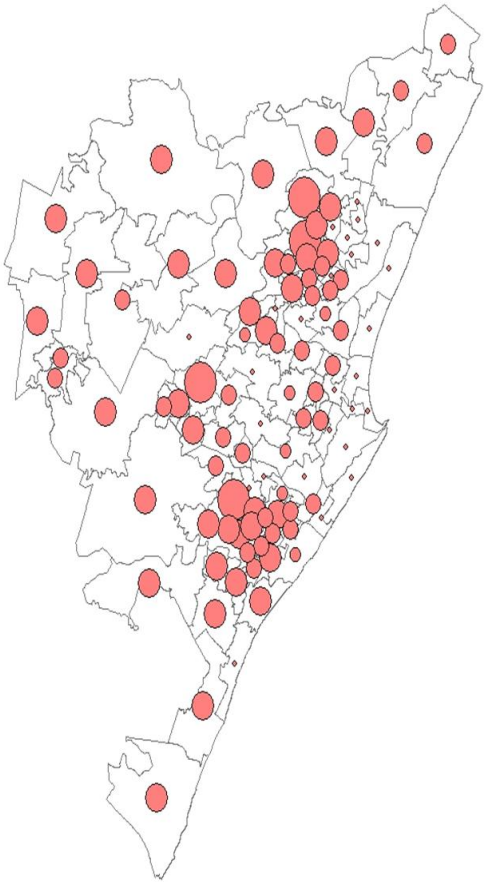
- Work stream 1 Transit-Oriented Development;
- Work stream 2 Urban Management – to focus on issues of crime and grime, area-based management and UIPs and finding sustainable standards of delivery;
- Work stream 3 Infrastructure Assessments – to look at the core infrastructure concerns facing the area;
- Work stream 4 Business Retention and Expansion – to focus on attracting new investment, skills development, and possible investment incentives;
- Work stream 5 Town Planning Assessments – to understand land uses and pressure points;
- Work Stream 6: Information Technology Assessments; and
- Work stream 7: Marketing and Branding.

This output's strategic intent is to apply the model/strategies/approach recommended in the **Industrial Revitalisation (IR) Framework** to all other industrial areas within the municipality. The duration of the project is 18 months, commencing 01 July 2017 and ending 31 December 2018. It is envisaged that an integrated implementation approach will engage all line departments in accordance with their function and expertise to effect re-development in the identified industrial areas.

MARGINALISED AREAS

Housing Backlog

TYPE	BACKLOG	NEED
Urban & suburban shacks in informal settlements	238 000	tenure, services, topstructures
Transit facilities	7 300	tenure, services, topstructures
Urban & suburban backyard shacks in formal areas	49 000	topstructures, some services
Urban & suburban formal structures without services	3 000	services
Non-urban structures	96 000	services, some topstructures
Total demand for topstructures	294 300	
Total demand for infrastructure & tenure	390 300	



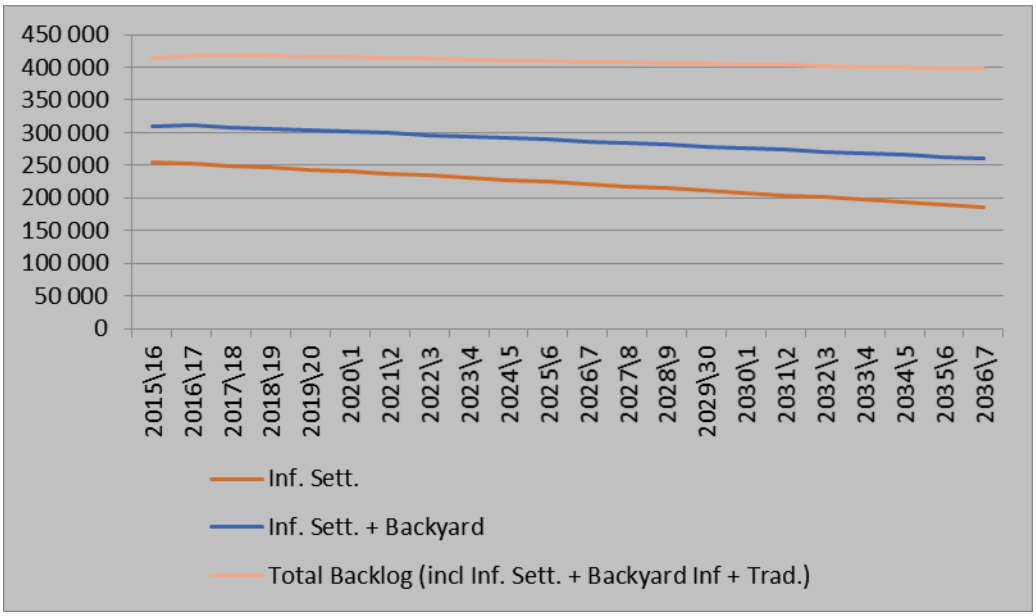
Demand Projections

The table below indicates the decrease in the housing backlog based on three scenarios, viz:

- Informal settlements dwellings only;
- Informal settlements and backyard informal dwellings; and
- Informal settlements, backyard informal and traditional dwellings.

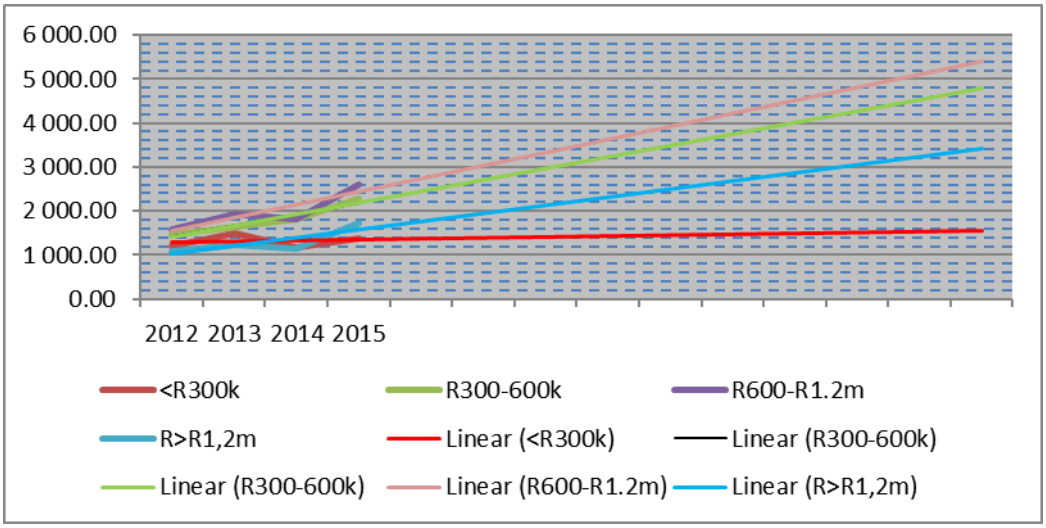
It is further based on an average delivery of 6,000 BNG houses per annum. Accordingly, if only the first scenario is utilized, then by 2036/37 there will still be a backlog in informal settlements of 186,000. Likewise, for scenario 2 it will be 260,000 and for scenario 3 it will be 397,000. This raises significant strategic decisions that need to be made with regard to alternative solutions for informal backyard and traditional households. The alternative for backyard dwellers is to provide additional services specifically for them, which is a proposal still being debated by NDHS.

Should we consider all traditional dwellings as being inadequate shelters, in contrast to the common perception that traditional homesteads are often a better shelter solution than newly built subsidised housing, although clearly incidences of inadequate shelters do exist? Households in traditional dwellings need to, in conjunction with the relevant authorities arrive at solutions that meet their requirements, which may include better access both physical and to markets, agricultural extension services, fencing of property, access to water and sanitation, etc.



Housing Backlog Scenarios. Based on 2011 eThekwini Dwelling Count

The table below uses Centre for Affordable Housing Finance (CAHF) data from 2012 to 2015, thereafter it is projected to 2025 based on the 2012-2015 sample. This indicates higher predicted demand for houses in the R600K to R1.2m range from approximately 1,600 pa to 5200 pa in 2025. Likewise, there are predicted increases in demand in the R300K to R600K range as well as the above R1.2 m category. The under R300K demand is predicted at far lower than the higher cost categories, and remains almost static. This is likely to be due to the fact that the CAHF data was based on sales registered in the deeds office, and does not apply where informal sales are entered into in the lower income markets.

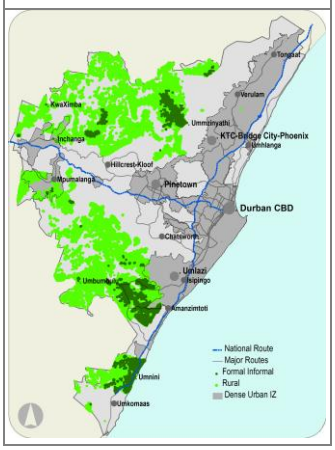


2025

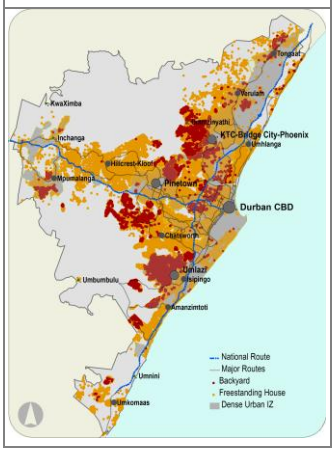
Predicted demand by house value 2012-2025 (Based on CAHF 2012-2015 data).

Generalized Forecast and Trends

NON-URBAN TRADITIONAL & FORMAL DWELLINGS



BACKYARDS IN FORMAL HOUSIMG



The non-urban low-income and middle-income housing demand is expected to grow.

The backlog estimates generally treats all traditional dwellings as being inadequate shelters, in contrast to the common perception that traditional homesteads are often a better shelter solution than newly built subsidised housing, although clear incidences of inadequate shelters exist. There is not sufficient information on non-urban shelter to clarify the situation. For KZN as a whole the de-densification of some rural areas is likely. But this is unlikely to apply in eThekwini. Two other scenarios are more likely: continued densification of non-urban areas and their gradual transformation into suburban areas, and-or: the retention of rural settlements at low densities, especially where the municipality actively promotes agricultural use of the surrounding land.

The rental market is significant.

It is estimated that 33% of households in eThekwini rent their accommodation. [2] There is significant rental stock in the denser parts of the city. In suburban areas and townships, small-scale rental is prevalent, particularly in low- and middle-income areas. Backyard rental and sub-rental in existing houses are significant housing providers and have potential for expansion. Although no conclusive figures are available it is commonly held that the unmet demand is also significant in the affordable housing sub-market. The advantages of promoting rental in the suburbs are increased densities and social mix, and increased utilization of existing services and facilities. There is currently no enabling framework for this to occur.

The market is spontaneously providing dwellings in sufficient

2 Eighty20 – find source doc

number, of adequate quality and in the optimal locations for the upper-middle and upper income markets.

Housing supply is constrained in the lower and lower-middle segments.

The formal private market is not spontaneously providing dwellings in sufficient number or of adequate quality or in the optimal locations for the poor or affordable markets. The degree to which the formal market does not penetrate the low-income sub-market is near-total.

The focus of publicly funded housing has been on supply to the low-income sub-market. The main outcomes have been free standing houses coupled with individual freehold title, transfer of state owned rental stock to tenants, and some hostel upgrades coupled with rental tenure.

There are obstacles to densification

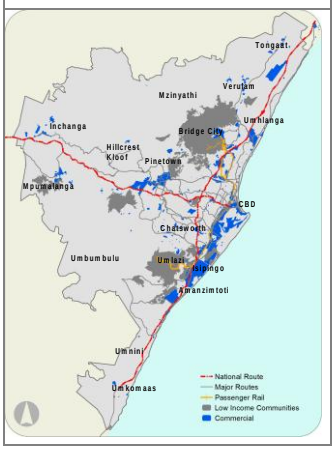
Construction costs are higher per top-structure than provided for in the subsidy schemes. If units are not subsidised, then they are unaffordable for the poor and lower-middle income. The sub-markets that can afford higher density unsubsidised or partly subsidised rental or ownership stock are very small and already stable in terms of current demand and supply.

Formal property markets are not working efficiently for the low income and affordable housing income groups.

One reason is that formal transfer processes are expensive and protracted. Poor households often rely on the informal property market. The informal property market is insufficiently recognised and regulated. This leaves the poor exposed to exploitation.

Low-income housing tends to distort the housing market. The typical BNG house is provided free, and consequently perceived as having a low market value. Secondly, the prevalence of subsidised housing can make it difficult for developers to differentiate a lower-market product from subsidised housing. In addition, though the housing policy seeks to support households in the affordable market segment, affordability is significantly over-estimated, whilst the cost of delivering such housing is typically under-estimated.

LOW INCOME COMMUTING



As in most SA cities, jobs are not where the people live, and vacant land for housing is not where the jobs are.

Most jobs in the manufacturing, warehousing and transport industry are located in the centre, south and west of the municipality but a large number of workers live in the north. The economic and residential growth axis is now towards the North. It has been occurring for the last decade and this momentum is increasing with the development of the Greater DTP and Greater Cornubia.

eThekwini Housing Sector Plan (EHSP)

The Draft Housing Sector Plan which is in the process of being finalized, is pitched at a strategy level. Companion documents are in the course of preparation to develop the program descriptions and project selections of the priority programs. Currently the Plan is limited at this stage to fully and partly subsidised residential infrastructure.

Objectives of the eThekwini Housing Sector Plan

The Plan's objectives are to:

- Set residential infrastructure as a city-building tool;
- Describe strategies and programs for residential infrastructure;
- Prioritise programs and investment locations;
- Inform and align with the BEPP's spatial targeting; and
- Be limited at this stage to fully and partly subsidised residential infrastructure.

Strategy Emphases and Benefits

Strategy	**Spatial & Social Transformation Benefits**
Universal Access to Basic Services [3] and freedom from fear of eviction for the poor	• Provision of core and social infrastructure • Eradication of core infrastructure backlogs • Informal tenure • Inclusion of the poor
Densification in Urban and Suburban Integration Zones	• Greater choice of where to live • Improved thresholds for economic development and public transport • More efficient use of core infrastructure and social infrastructure, Livelier property market
Increased focus on Rental	
Increased focus on main streaming subsidised housing into the Property Market	• Inclusion of the poor • Inclusion of Lower-Middle income groups • Stimulation of the Gap market segment • Livelier property market
Mix of medium term big bangs and long-term steady programs	Encourages investment into the built environment by entities big and small, and by households

Prioritised Programs

The Municipality has numerous housing programs, however the programs that have been prioritised in this edition of the EHSP are:

- Housing Mega-Projects;
- Universal Access to Basic Services;
- Institutional & Social Housing;
- Affordable Housing;
- Upgrades & Greenfields;
- Retrofit of Engineering Services; and
- Township Establishment, Infrastructure Handover, and Title Deed Issuing for RDP projects.

How the Prioritised Programs help to achieve spatial and social transformation

Program	**Spatial & Social Transformation Benefits**
Housing Mega-Projects	• Integrated and sustainable provision of housing opportunities • Provision of core infrastructure, residential infrastructure, economic infrastructure

[3] Basic Services is also commonly referred to within the municipality as Incremental Services or Interim Services

	• Improved connectivity to the urban network
Universal Access to Basic Services and freedom from fear of eviction for the poor	As for strategy of universal access to basic services
Greenfields, In Situ Upgrades and Greenfields	As for strategy of universal access to basic services plus creation of residential ownership stock
Township Establishment, Infrastructure Handover, and Title Deed Issuing for RDP projects Retrofit of Engineering Services	• Formal upgrade, handover, maintenance of municipal infrastructure • Cadastral subdivision • Formalisation of zoning and development rights • Formal tenure • Livelier property market
Medium & High Density Housing – Low Income CRU, Hostel CRU, Social, Affordable, Gap	Creation of new rental and ownership residential stock More efficient use of core infrastructure & social infrastructure

Housing Mega-Projects

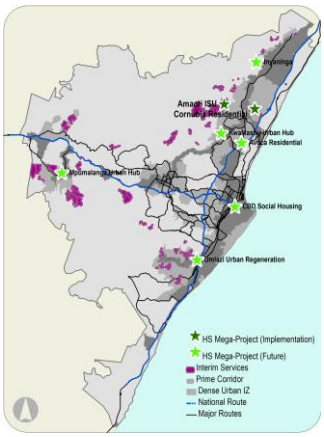
PROGRAM FEATURES

Housing Mega-Projects:

- Create complete human settlements
- Cater for people in various income bands
- Aim at increased densities
- Are very well connected to public transport
- Are large, each over 5,000 housing opportunities
- Require major infrastructure investment
- Require a mix of public funds
- Aim to also leverage private investments including household investments
- Require highly developed and multiple skills to conceptualise
- Have multiple stakeholders [4]

eThekwini has about two dozen Major Projects. The Housing Unit champions seven of them, namely:

- Amaoti
- Avoca North
- Cornubia
- Umlazi
- Mpumalanga
- KwaMashu Bridge City Hub
- Inner City



Locational Criteria

Housing Mega-Projects are strategically located in integration zones. All of them are in the Prime and Urban Zones, except for Amaoti, which is in the Suburban Zone, and which therefore will be slightly less intensively developed than the others.

4 Guidance Note for the Built Environment Performance Plan 2015/16 – 2017/18. National Treasury, Oct 2014

Program Scale

The program intends to deliver 270,000 housing opportunities. It is also intended to deliver numerous permanent jobs for maintenance of core infrastructure, operations of social facilities, staffing in local businesses.

Program Origin and Duration

Cornubia pre-dates the program start, and serves as a process template for the other Housing Mega-Projects. The program began to be conceptualised about two years ago, and elements of it appeared in the BEPP 2014-15. It was expressed as a deliberate program in the form of a submission to National Department of Human Settlements (NDHS) in 2015. The program is likely to run for about two decades. Only very recently the NDHS had taken a decision to approve Inner City, Cornubia, Umlazi KwaMashu Bridge City Hub and Amaoti as Mega Projects.

Budget Requirements and Funding Sources

The program needs about R 120 Bn in capital investments at current prices. R 2.9 Bn appears in the Capital Budget for the current MTEF Potential funding sources include:

- USDG;
- HSDG;
- Council Funds;
- Other spheres for some of the social infrastructure, particularly schools and clinics;
- Other spheres for some of the core infrastructure, particularly provincial or national routes, bridges and interchanges; and/or
- Private Investments, particularly for the development of commercial sites, and for developer contributions to core infrastructure.

Capacity or Systemic Requirements

A full-time multi-disciplinary project team of four to six people plus a pool of internal or external consultants would be the optimum arrangement needed for every Housing Mega-Project. This level of resourcing is not currently in place, and attention will be given by the Housing Unit and the Municipality during the current MTEF to adequately resource the Housing Mega-Projects.

UNIVERSAL ACCESS TO BASIC SERVICES

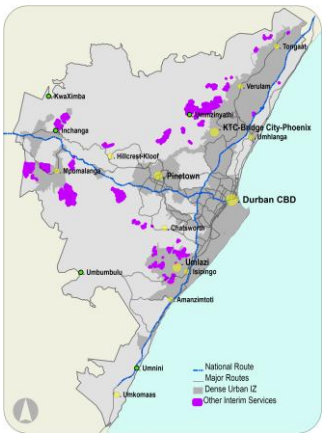
Program Features

COMMUNAL ABLUTIONS

The Program aims to promote social equity and social inclusion by providing every household in Informal Settlements with access to basic engineering services, basic social facilities, and local economic opportunities, as soon as possible. The project selection criterion is Informal Settlements that are earmarked for upgrade in the longer term. There are five sub-programs, namely:

- Community Ablution Blocks;
- Roads, Footpaths, and Stormwater Control;
- Electricity - Ablution Blocks, Streetlights, Individual Connections;
- Access to social facilities, particularly fire and police stations, clinics, schools, & sports-fields; and
- Sustainable livelihoods.

INCREMENTAL SERVICES PLAN



Locational Criteria

Most of the planned projects are in the Suburban Zone.

Program scale

This program will benefit 70,000 households.

Program Origin and Duration

This program has its beginnings in the provision of water stand-pipes to informal settlements in the early 1990's. This was superceded by the provision of communal ablution blocks and refuse collection initiatives in the mid and late 1990's. It was first expressed as a deliberate program in the previous edition of the Housing Sector Plan The program is likely to run for about a decade, though the intention is for it to be complete in two MTEF's.

Budget Requirements and Funding Sources

Assuming a current-price benchmark of R 25,000 investment for each household, then the program will require approximately R 1.75 Bn. R270 Mill appears in the Capital Budget for the current MTEF At this rate it will take six MTEF's (eighteen years) to deliver the program, which is contrary to its intention to complete the program in two MTEF's. Current funding sources include:

- USDG; and
- Other spheres for some of the social infrastructure, particularly schools and clinics.

The Communal Ablution Blocks Sub-Program is reasonably well-resourced. About R 1 Bn has been invested over the past three years. The other sub-Programs all require to be significantly upscaled to meet target.

Capacity or Systemic Requirements

Each of the sub-programs are separately managed and staffed.

DEPARTMENT	RESPONSIBILITY & AUTHORITY
Collective	Project Selection & Prioritisation, Funding, Monitoring
Water Services	Community Ablution Blocks
Development Engineering	Community Access
Durban Electricity	Communal and Individual Electricity
Social Cluster	Social Facilities
Economic Development	Sustainable Livelihoods

The Collective needs to be put in place, and project preparation and implementation capacities need to be up-scaled for several of the sub-Programs.

INSTITUTIONAL AND SOCIAL HOUSING

Program Features

The aim of Institutional Housing is to subsidise the capital costs of creating rental stock for income groups between R1,500 and R3,500 per month. The program is typically implemented by NPO's.

Social Housing aims to develop rental stock for income groups between R1,500 and R7,500. Social Housing may result in refurbishments or new-builds. The program is implemented exclusively by Social Housing Institutions. Questions have been raised whether the income targets are sustainable under the available subsidy scheme quantum and given the operating costs required to meet the set standards. The Social Housing Program needs to be viewed alongside a Private Rental sub-market, which targets a similar income band, and does so without subsidy, and without the building and operating standards.

Locational Criteria

Institutional Housing may be applied anywhere. Social Housing Program must be in Restructuring Zones, which are identified by municipalities and approved by NDHS.

Program Scale

These programs have been small scale. The 2015-16 national review of the housing policies and subsidies however recognises that Social Housing plays an important city-building role, and is intended to be significantly up-scaled. Available statistics and plans suggest, there is scope for a program of 100,000 units in either the Social or Private Rental sub-markets in the Durban CBD alone. Added to that the intention that Housing Mega-Projects should aim at a quarter to a third of residential units to be rentals, then there is scope for another 60,000 rental units.

Program Origin and Duration

Housing for Special Needs and Vulnerable Groups has been traditionally supplied by faith-based and secular NPO's for over a century. Social Housing is however a relatively modern variation on public rental housing stock. The program is a long-term one.

Budget Requirements and Funding Sources

Assuming a first phase of 10,000 units, then the capital requirements excluding land acquisition will be in the order of R 3 Bn. Current capital funding sources include:

- Restructuring Grants;
- Institutional Housing Subsidies;
- Private Equity; and
- Development Finance.

Capacity or Systemic Requirements

The municipality's role is to facilitate investments by SHI's and NPO's. Social Housing is intended as a component for most of the Housing Mega-Projects. The capacity that is required to be developed by the Municipality is improved market intelligence on the sub-market size and profile, and on customer and supplier interest in the targeted locations. Where the Municipality avails its own properties for Social Housing at a discount (as has been the case in the past) or via a lease, or where it wishes to acquire land for social housing, then the capability to compile technical plans and strategic business plans needs to be developed. Given the small scale of the program delivery to date, there will be a need for the number and supply capacity of SHI's to be developed.

AFFORDABLE HOUSING

Program Features

To assist households in the affordable housing market the national government avails financial assistance to individual households with monthly incomes of R 3,500 to R 15,000 who are often excluded from the bond market. The government assistance takes the form of assistance to down payment for mortgage (Finance Linked Individual Subsidy Program - FLISP) and Mortgage Insurance. Mortgage Insurance has been included in Outcome 8, with a target of assisting 600,000 households countrywide but this program in not operational yet. "This Program [FLISP] provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved mortgage loan. These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National Housing Programs. The Program encourages the growth of the secondary residential property market achieving an objective of the Comprehensive Plan for the Creation of Sustainable Human Settlements." [5]

Affordable housing is developed by private developers. The city takes on a facilitating role by:

- Selling well-located land (infill locations) to developers at cost, and
- Allocating the units to households in the affordable income bracket.

5 The National Housing Code, 2009: Part 1 Simplified Guide to the National Housing Code. Department of Human Settlements. 2009

Locational Criteria

Preferably in the Suburban, Urban and Prime Corridor Zones. This program is intended to play a role in establishing socially integrated suburbs. In eThekwini, the most prominent project in this regard is Cornubia where a mix of housing types for different income groups is planned.

Budget Requirements and Funding Sources

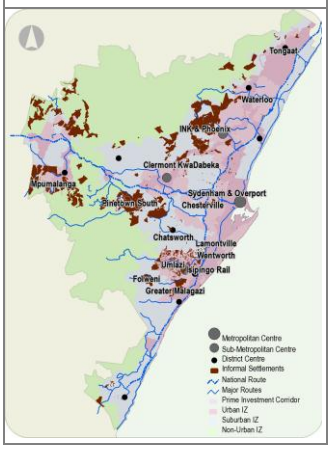
- FLISP;
- Mortgage Insurance; and
- Land sales at cost (indirect Municipal funding support).

IN SITU UPGRADES AND GREENFIELDS

Program Features

The city has two significant inter-linked Incremental HS Programs, In Situ Upgrades, and Greenfields HS Projects. The long-term aim is to upgrade all of the Informal Settlements that are technically viable for upgrade, and that aren't earmarked for Relocation. The Greenfields Program is necessary, to absorb relocations from Upgrades projects. Typical deliverables of an Upgrade or Greenfields project include cadastral subdivisions, surfaced roads, water, sewer and electricity connections, and a 40m^2 dwelling structure. Sites are typically created for social facilities, especially parks, schools and clinics, for uptake by the respective public entities.

INFORMAL SETTLEMENTS



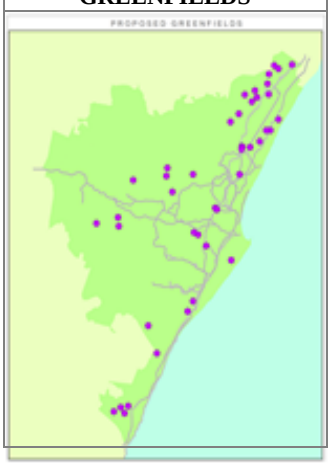
Locational Criteria

Most of the planned projects are in the Suburban Zone. The spatial targets for each of the Incremental HS programs have been derived from the Housing Spatial Prioritisation Model.

Program Scale

This program will ultimately benefit 250,000 households.

LAND ACQUISITION TARGETS FOR GREENFIELDS



Program Origin and Duration

The contemporary programs originated from deliberations by the National Housing Forum in the early 1990's. The program is multi-generational, because planning and delivery are slow (typically taking a dozen years from project inception to house construction), and on the other hand, the available capital funds cap potential delivery. At the current pace of delivery, and factoring in the current rate of growth in households in eThekwini, the program will run for several generations.

Budget Requirements and Funding Sources

Assuming a current-price benchmark of R 180,000 investment for each unit in infrastructure and topstructure costs, and a delivery target of 30,000 over the next two MTEF's, then the program will require approximately R 5.4 Bn. Of this R 3.36 Bn appears in the Capital Budget for the current MTEF. Current funding sources include:

- USDG;
- HSDG; and/or
- Other spheres for some of the social infrastructure, particularly schools and clinics.

Capacity or Systemic Requirements

In order to execute the directive to no longer plan freestanding houses but instead, in the Suburban Zone to plan pedestrianised duplexes, and in the Prime Corridor and Urban Zone, multi-storey walk-ups, the Housing Unit requires to increase or reorganise its internal capacity to conceptualise and design. The Unit appears to have sufficient capacity to administer topstructure construction contracts, and to oversee the infrastructure contracts that service department Development Engineering delivers. The Housing Unit also needs to supplement its capacity to finalise Infrastructure Handover to Line Department and Township Establishment. Additional capacity requirements that need to be put in place is a liaison structure with especially Departments of Education and Health to encourage their investments into those facilities. It has not however been resolved whether this liaison function resides with the Housing Unit or with the Municipality's Social Cluster, and resolution on this point is intended.

RETROFIT OF ENGINEERING SERVICES

Program Features

There are numerous instances, mainly in Umlazi, of the construction of topstructures having been completed before engineering services and township establishment. Most of the unserviced houses are on steep and small land [pockets, some of which could be environmentally sensitive, and they rely on pedestrian access. The program intends to retrofit engineering services, particularly water sanitation, pedestrian paths, to establish township, and to pass title.

Locational Criteria

This program deals only with those locations where the construction of topstructures preceded engineering services and township establishment.

Program Origin and Duration

The need for this program originated from the period in which the Development Facilitation Act and the Less Formal Township Establishment Act were in force. Under those laws, elements of township establishment could legally be delayed, and-or the sequencing of infrastructure, topstructure, and township establishment could be changed.

Program Scale

Approximately 5,000 such topstructures currently exist.

Budget Requirements and Funding Sources

Assuming the current-price benchmark of R 60,000 per unit requirement for infrastructure, some R 300 Mill will be required. This could be sourced from USDG.

Capacity or Systemic Requirements

This program will require that a team be assembled and resourced, comprising a dedicated Project Manager, and a pool of internal or external consultants with planning, engineering, urban design, environmental, social facilitation, and conveyancing skills.

INFRASTRUCTURE HANDOVER & TITLE DEED ISSUING

Program Features

The majority of the historic RDP projects focused on completion of topstructures as their priority. This was enabled by the Development Facilitation Act and the Less Formal Township Establishment Act, which permitted the deferment of final township establishment procedures, and with that the deferred handover of infrastructure to municipal line departments and the deferred issuing of title deeds. The upside of the approach was the rapid delivery pace (10,000 to 15,000 units per annum).

However, the downside of the approach was that there is now a backlog in township establishment, handover of services, and issuing of title deeds. This has knock-on effects, the most notable being that:

- Houses are not registered to owners;
- Houses cannot be used as collateral for home improvement loans or other finance;
- Houses are traded at discount in the informal property market;
- Electricity and water applications cannot be easily processed which leads to illegal connections and-or to loss of utilities revenue);
- Infrastructure cannot be capitalised in the municipality's ledgers;
- The issue of financial accounting continually surfaces; and/or
- Outstanding subsidy payments cannot be recovered from province.

This program seeks to normalise and finalise township establishment and related issues for historic projects.

Locational Criteria

Most of the historic projects are in the Suburban Zone.

Program Scale

This program will benefit most of the households that previously benefited from receiving houses in post 1994 RDP housing projects

Program Origin and Duration

This program has its beginnings in the provision of houses under the RDP program. The Infrastructure Handover & Title Deed Issuing program is likely to run for about a decade, though the intention is for it to be complete in two MTEF's. A first phase of the program has been concluded. It scoped the problem, and resolved accounting issues on projects that the Municipal Treasury and Auditor-General had prioritised.

Budget Requirements and Funding Sources

To be determined

Capacity or Systemic Requirements

This program is in the start-up phase. Consequently, certain aspects of the program design and resourcing are either not yet clear, or else they still need to be quantified and worked out in more detail. Dedicated management and technical capacity will be required for this program. The program will need to be collectively run by Human Settlements, Engineering, and LUMS.

APPROVED CAPITAL BUDGETS FOR HOUSING PROGRAMS

All figures are in Rand millions.

Program	2017-18	2018-19	2019-20	MTEF Tot
Universal Access to Basic Services - Roads	52.986	53.927	**46.365**	152.278
Universal Access to Basic Services - Ablutions	301.0	253.751	220.0	774.751
Universal Access to Basic Services – Electricity	9.5	4.5	**0**	14.
Full in-situ upgrading topstructures	771.489	676.430	706.816	2154.735
Full in-situ upgrading infrastructure	395.9	457.3	480	1333.2
TOTAL				**4428.964**

Additional Actions Arising out of the Housing Sector Plan

For the priority housing programs, additional actions planned are:

- Development of program descriptions;
- Establishment of Multi-MTEF budgets;
- Discussions with other municipal departments regarding transversal management, and with other spheres, and formulation of service level agreements with them;

- Sharpening and application of project selection and prioritisation tools within each priority program;
- Formulation of program timetables;
- Ring-fencing of project preparation funding, and conclusion of SCM and HR processes to procure consultants and staff; and
- Identification of project pipelines for each of the priority housing programs.

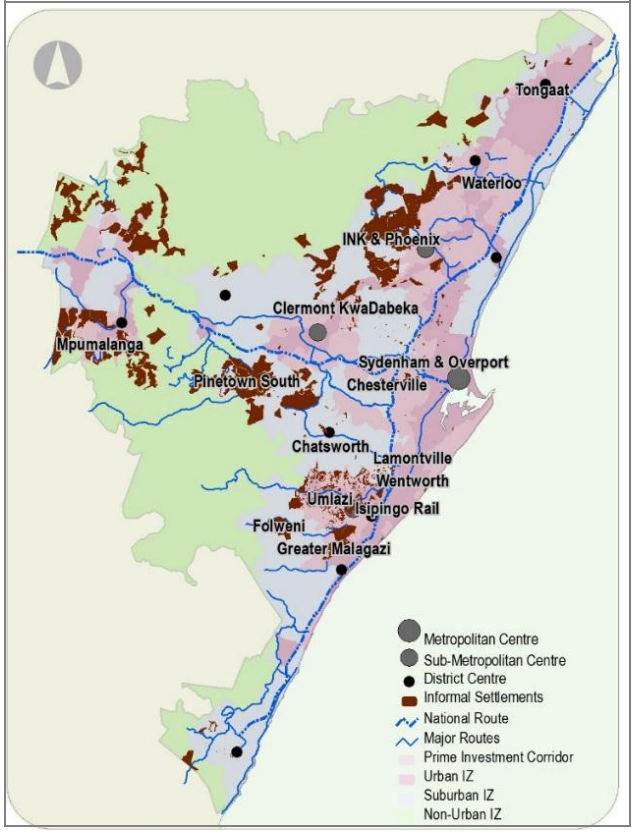
INFORMAL SETTLEMENTS

Over a quarter of eThekwini's total population of approximately 3.4 million reside in urban and peri-urban informal settlements, most of which are located on land which is both difficult and costly to develop due to such constraints as steep slopes, unstable soils and high land costs.

Informal densification and extension of existing informal settlements is ongoing. This is largely as a result of urban migration and natural growth of households. The latter resulting in the formation of smaller household sizes which invariably contributes to the overall backlog.

- Over 550 urban informal settlements comprising 238,000 households still to be addressed;
- Many of the settlements are micro-settlements of 100 households or less;
- Comprising over a quarter of the City's population;
- Continued urbanization and a dwindling supply of well-located land;
- Over 30 years to overcome just the informal settlement backlog; and
- Prioritise identification of a programme to address a range of basic health and safety issues and deliver rapidly to as many settlements as possible instead of providing high level of services including top structures to only a select few.

DISTRIBUTION OF
INFORMAL SETTLEMENTS



Housing Plan: Informal settlement Status

For reporting purposes, the official informal backlog figure, viz. 238 000 h/hs takes into account completed units within approved upgrade projects currently underway.

	No. of Inf Setts	(No. of h/holds)
• Upgrade in Progress (including planning)	150	(99 000)
• Proposed upgrades/incremental services	304	(121 000)
• Relocations/Emergency services	115	(33 000)
TOTAL	**502**	**(253 000)**

A NEW APPROACH TO INFORMAL SETTLEMENTS

There has been an acceptance that conventional approaches to upgrading, premised on BNG-type housing delivery and formalisation, are inadequate in addressing the informal settlement challenge in South Africa. There is general acceptance that the new approach to upgrading needs to be inclusive of all informal settlements, incremental, participative and partnership-orientated. This is consistent with both National Policy as well as international practice.

The new approach to upgrading needs to foster a different and more functional relationship between the state and the urban poor which is not premised solely on state service delivery but which also leverages the partnerships necessary for more effective social capital formation, collaboration and 'self-help'. State investments (e.g. in basic services) need to 'leverage' this kind of shift. There also needs to be a focus on more than just basic services, functional tenure and incremental housing improvements. Key social services (e.g. ECD, schools, clinics etc.) are also important as is more effective access to public transport and economic opportunities. Upgrading needs to be seen as a sustained process of urban change over time rather than a once-off project-type intervention. It needs to be programmatic and area-based in orientation rather than just focused on delivering single/separate 'projects'. In general, the state needs to focus its efforts and finite resources mainly on enabling public realm investments (rather than the provision of free housing).

Shifting to the new approach has significant implications for the institutional arrangements, partnerships and funding instruments of upgrading. The current statutory and regulatory environment (e.g. with respect to building plans, town planning processes and zoning) are also typically not 'fit-for-purpose' in the context of informal settlements and greater flexibility is needed.

In addition to this, there are compelling reasons for the all Municipal departments to work in an integrated way. Addressing the myriad of challenges within informal settlements is a complex and difficult exercise, and it cannot be done in isolation by each Unit. What is required is a coordinated, aligned and integrated approach, an approach that all strategic plans from National down to Local continuously preach.

In this regard, an internal forum to deliberate this challenge has been proposed by the Municipality. Heads of Infrastructure have already identified champions within their Units who will be dedicated to ensuring that this program becomes a key focus area of incremental service delivery within informal settlements. Good progress has been made with the establishment of the Incremental Services Technical Forum which brings together key internal stakeholders to discuss the projects and initiatives they are implementing and planning for in informal settlements, budgetary considerations, propose innovative solutions, overcome obstacles, as well as to create opportunities for aligning initiatives so as so have a more holistic affect and avoid duplication of efforts.

Citizen-led planning for informal settlement upgrading

While the state has a mandate to deliver services and housing opportunities, communities and individual families also have a role in improving their own living conditions. Involving citizens in informal settlement upgrading contributes to the development of social cohesion, empowers communities and individuals, makes space for creative solutions, utilizes local knowledge and makes upgrading initiatives more sustainable through building ownership of the environment and amenities.

Participatory planning and implementation in informal settlements might include some or all of the following activities:

- Community capacity building: providing information and advice (perhaps via a housing support centre); helping communities build support networks; providing small resources to kick-start community-lead initiatives;
- Mapping of all stakeholders in a particular location;
- Development of social compacts and joint action plans outlining the sources of funding, deliverables, prioritization, and the roles and responsibilities of each stakeholder;
- Asset Based Community Development in support of sustainable livelihoods;
- Enumeration, entailing collection of detailed demographic information as well as mapping of existing structures and features of the community;
- Re-blocking, during which a layout is created to allow for improved access for emergency and infrastructure services and equitable distribution of stands and certain structures are moved to conform with this plan;
- Support for household and community savings schemes;
- Tenure interventions, to enable personal investment in residential structures;
- Utilization of local labour and local construction teams;
- Development of allocation guidelines and relocation plans in the housing consolidation phase;
- Participatory monitoring and evaluation of service delivery and impact.

Current Thinking

- Meaningful and effective community mobilisation, involvement and upliftment. Building 'social capital', 'self-help' and resilience, sustainable livelihoods processes etc. - Decreasing dependency and vulnerability;
- Capacity for innovative and effective Participatory Planning and Development;
- Effective demand management - understanding that not all informal households require a similar product and tenure option;
- Promoting and facilitating innovative and incremental infrastructure and top structure designs and development;
- Providing building support and home owner education;
- Achieving transversal institutional coordination and management within and outside of the Metro;
- Investigating and designing models for incremental and self-build development – pay attention to high density housing;
- Facilitating co–production in the development process – explore alignment of government investment, community savings and sweat equity, private sector social responsibility. (e.g. Blackburn Village JV with Tongaat Hulett Developments); and
- Exploring LED initiatives.

Current Initiatives

NUSP: Participatory Planning, Sustainable Livelihoods and Facilitation Support to Informal Settlement Upgrading Projects.

The Human Settlements Unit has been engaged with the National Department of Human Settlement's (NDHS) National Upgrading Support Programme (NUSP) for the provision of Participatory Based Planning and Facilitation support in the eThekwini Municipality. This programme is part of a national initiative to provide local municipalities with technical support. As part of this initiative 42 informal settlements (23 earmarked for Incremental Services and 19 for Upgrading) and comprising of a total of 34,571 households, were identified and selected.

The NDHS appointed a consulting team to undertake various activities as part of the technical support provided to the Municipality. In summary, the project deliverables for both the Incremental Projects and Full Upgrading projects for the selected 42 informal settlements were as follows:

- Administer Socio-economic Surveys and finalise Analysis Reports for 42 informal settlements comprising a standard sample of 3,578 households;
- Develop and undertake a Participatory Planning Skills Programme;
- Compile and Facilitate City-community partnerships for the 42 informal settlements;
- Undertake Sustainable Livelihoods Programme for the 42 informal settlements;
- Develop a Community Capacity Development Programme; and
- Project Close-out Report.

The ultimate purpose of the NUSP funded initiative is to learn from the outcomes of the above deliverables and better capacitate councilors, officials, and the community in order to replicate the learnings and experiences in other informal settlements in eThekwini.

100 Resilient Cities: Resilience Building Option 1: Collaborative Informal Settlement Action

eThekwini is part of the 100 Resilient Cities initiative, funded by the Rockefeller Foundation. The initiative aims to create resilience-building plans in 100 cities across the globe. The 100RC initiative has identified participatory, differentiated and incremental informal settlement upgrading as a core focus for increasing resilience. 8 inter-related outcomes have been developed to achieve this objective.

- eThekwini has a committed team of champions that are supported by co-ordinating institutional structures;
- Consolidated quantitative and qualitative community and municipal-collected data on all informal settlements is accessible to all and updated regularly;
- eThekwini municipality facilitates the establishment of proactive, innovative and municipal-wide partnerships to develop and execute collaborative, climate-smart and sustainable informal settlement upgrading;
- Human and financial resources are secured;
- Enabling and integrated administrative systems and simplified regulatory procedures that facilitate the accelerated implementation of municipal-wide, collaborative informal settlement upgrading and partnerships;
- Collaborative monitoring and evaluation is institutionalised;
- Pro-active management of use of land; and
- Improved social, economic and environmental well-being in all informal settlements in eThekwini.

National Treasury's City Support Programme (CSP): Technical Support for the Innovative Upscaling and Upgrading of Informal Settlements

The CSP in partnership the NUSP and through technical support by the World Bank seeks to support and strengthen the service delivery and management capacity and systems of South African cities. Incremental upgrading of informal settlements forms a significant element of the human settlements components of this initiative. The CSP aims to assist Cities to develop and scale-up efforts to upgrade informal settlements in close consultation and partnership with local communities. A framework was developed by the CSP which identified four work streams which included the development of enhanced Programme Management Toolkits and related Programme Support to selected Metros for scaling up incremental upgrading. This work stream is commencing in 2017 on the back of a Scoping Study prepared in June 2016. Engagements with eThekwini have already been initiated.

ESRC/NRF Urban Transformation in South Africa Project: Community-led upgrading for self-reliance in informal settlements in South Africa.

This is in a multidisciplinary partnership with the University of KwaZulu-Natal in Durban the University College London, uTshani Fund (SDI Alliance) and eThekwini municipality. This project focuses on communities in informal settlements that could be involved in improving their homes and neighbourhoods. The tools and processes needed to ensure a successful upgrade of environmental and construction management are poorly understood, and top-down policies used by central and local government in SA have not been successful to date. If communities can improve their neighbourhoods through "development from within", improving construction skills and using available materials, then there could be local, regional and national environmental, social and economic benefits. This research project seeks to explore the underpinning barriers and enabling drivers for communities to upgrade their informal settlements in SA. The central question for this research is: how can participatory approaches be utilised in an environmental and construction management strategy to achieve self-reliance in informal settlements in Durban, SA?

Infrastructure Improvements for Early Childhood Development (ECD) Centres in Informal Settlements

This proposed initiative in partnership with an NGO seeks to improving access to adequate ECD services for large numbers of vulnerable children within informal settlements in eThekwini. ECD is a national priority, forming part of both National and Provincial strategies aimed at 'massification' of ECD services. These strategies include more effectively supporting large numbers of de-facto, under-resourced ECD centres within low-income communities such as informal settlements.

The initiative directly supports the City's IDP objectives aimed at social upliftment including those of the Informal Settlements Upgrade Programme (ISUP) and Incremental Services Programme (ISP) such as the improvement of social facilities and essential services. It forms part of broader Human Settlement responses such as those embedded in the Outcome 8 Delivery Agreements which aim to rapidly provide informal settlements with incremental services and thus eradicate backlogs of essential services through interim services provision as well as full upgrading and low income housing. 14 selected ECD centres at pilot sites at Amaoti and Umlazi have been identified for ECD infrastructure improvements and survey.

Informal Settlement Incremental Upgrading and Integration Partnership Programme (via Area Based Management (ABM))

The Human Settlements and Area-Based Management Units have also partnered with a local NGO to submit a funding application to the European Union, which (if successful) will provide funding for increased central and area based capacity over three years. A number of pilot initiatives will test and refine a model of working in partnership with communities and organisations, and improving alignment between stakeholders (including municipal and provincial departments) by utilising and expanding precinct-based communication, planning and implementation of initiatives in informal settlements.

Established and Proposed Structures to Facilitate Incremental Services Integration

- DCM and Heads of Infrastructure Forum (ISIF) – To align the prioritisation and inform individual implementation/performance plans;
- HS Project task team - To drive the ISIF and facilitate processes for implementation;
- ISI Technical Workstream - To implement prioritised plans and manage outputs; and
- Proposed MOA with NGOs - to lobby external funding, facilitate ECD's and some re-blocking strategies.

Key Risks

- Unabated growth of informal settlements attracted by the provision of services. Will become a major problem when relocations are required;
- Weak legislation to curb land invasions or growth of existing settlements;
- Difficult to provide secure interim tenure if land is in private ownership and where densities are too high;
- Protracted EIA and planning approvals delaying speedy implementation; and
- Lack of funding for densification if the objective is to avoid relocating people from well located areas, in line with City's SDF and BEEP.

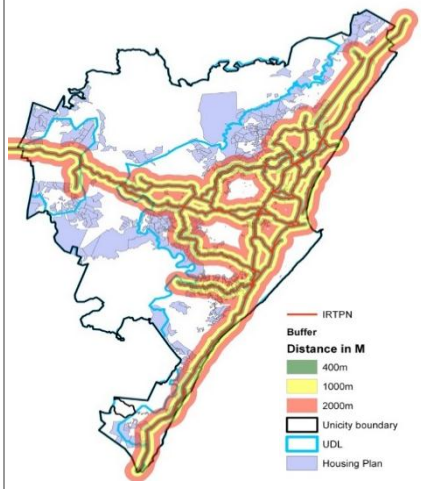
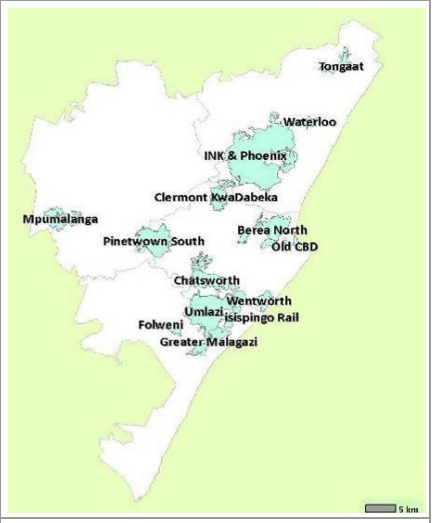
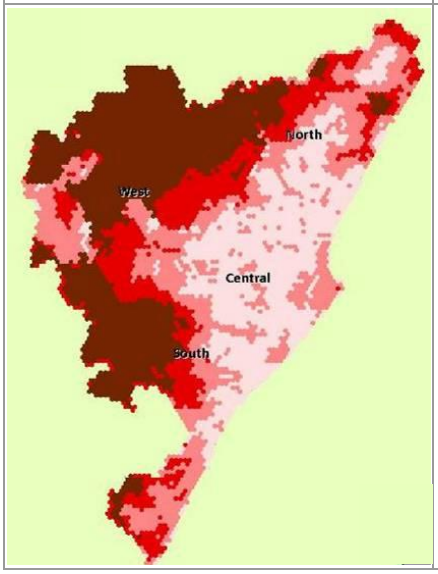
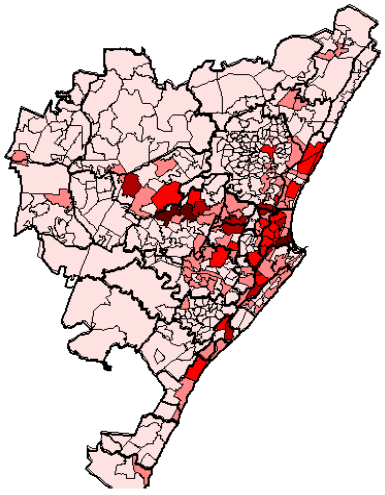
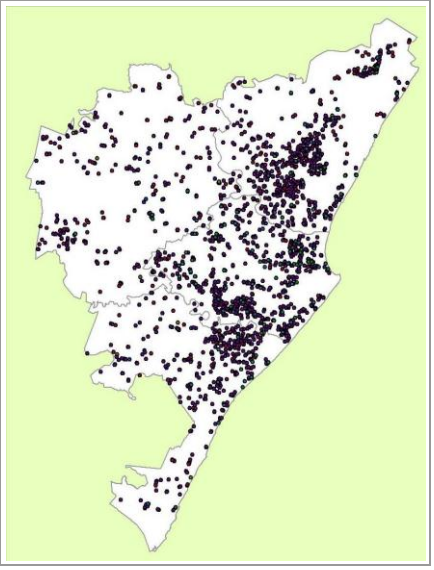
Significant Non-Technical or Non-Spatial Challenges to Housing Delivery

The funding portion for top-structures is insufficient for medium and high-density developments such as double-storey row-houses, especially if they are located on steep sites. Medium-density developments are required to implement the spatial and housing strategies of eThekwini. Top-ups per unit are required to enable the construction of double-storey duplexes. Going two storeys and more results in significantly higher costs. There is no dedicated funding for this especially for BNG units. As a result, the very poor cannot own units in high density developments. Even if funding was made available, a very focussed home ownership program will need to be initiated, educating beneficiaries on their responsibilities in living within sectional title developments. This also begs the question of whether such beneficiaries will be in a position to afford levies.

The housing subsidy provisions for difficult geotechnical conditions are insufficient for building on steep land and for geotechnically difficult land. The geotechnical variation allowed for in the subsidy scheme does not adequately respond to eThekwini soil and slope conditions. Top ups by the municipality are frequently required to enable additional earthworks, embankments, soil retaining, slope stabilisation, and stormwater control.

HOUSING SPATIAL PRIORITISATION MODEL FOR UPGRADES AND GREENFIELDS

eThekwini has steadily been developing its GIS-based Housing Spatial Prioritisation Modelling since 2011, when it first considered an explicit set of spatial criteria for choosing which candidate projects to develop further, and to inform the planning and typology brief for selected candidates. The significant criteria used are illustrated below.

IN WALKING DISTANCE OF PT TRUNKS	CLOSE TO KEY PUBLIC TRANSPORT INTERCHANGES	IN URBAN SETTLEMENTS WHERE CURRENT DENSITIES PROMOTE SUSTAINABILITY
		
AT LOW INVESTMENTS IN NEW BULK INFRASTRUCTURE	CLOSE TO EXISTING JOBS	CLOSE TO ESSENTIAL SOCIAL SERVICES
		

Accessibility to PT and least-cost Infrastructure featured as major HSPM criteria. The Model went on to disaggregate the major criteria into sub-criteria, and to use relative weightings. Noteworthy new sub-criteria were in proximity to the Feeder Routes of the IRPTN, and the disaggregation of the Cost Surfaces Model in order to prioritise Sewer as a more strongly-weighted sub-criterion than Water, Stormwater and Electricity. In 2014, the Model was updated to factor in Proximity to Catalytic Projects, and to factor in Disaster Considerations of fire, flash-flood / washaways, and landslide risks. A set of unique Model Weightings was developed for Greenfields, and another set for Upgrades.

Utilising a scoring matrix with a bias towards the Cost Surfaces Model (bulk infrastructure costs), a priority list of Greenfield and informal settlements earmarked for upgrade projects can be generated. Improved locations of housing and improved accessibility, especially of low-income housing, is a major goal of the Housing Spatial Plan. In addition, the Model allows the alignment of projects against the objectives of the Integrated City Development Grant (ICDG). In other words, projects would naturally score highly if located within the Prime Corridor and Urban Zones as well as some portions of the Suburban Zones. Not only would it be beneficial for the City to implement projects where infrastructure, social amenities and employment opportunities are already available and at lower costs, but also the City benefits from enhanced performance based incentives from National Treasury via the ICDG. The Model therefore helps align projects to the city's spatial

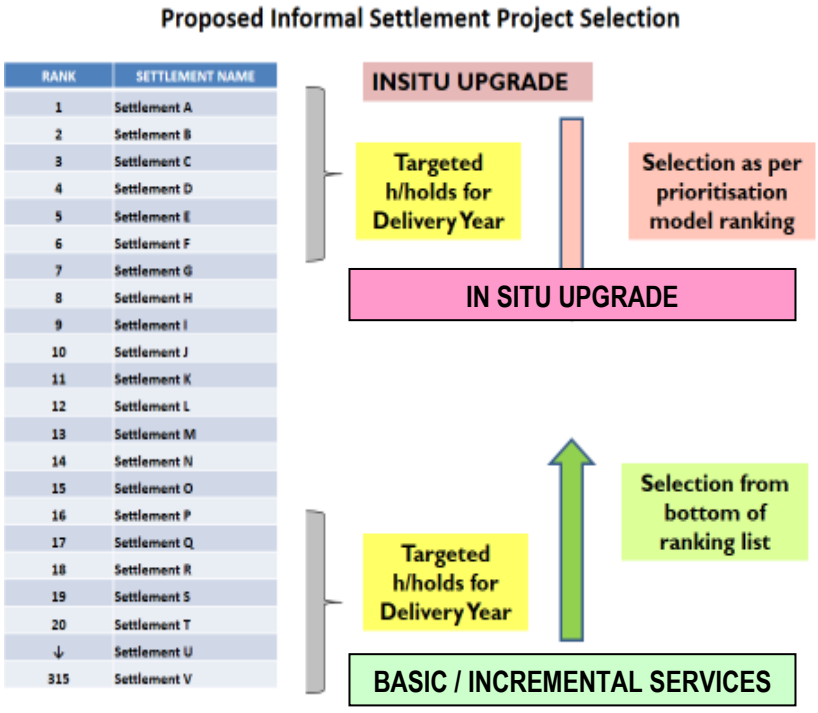
targeting strategies.

The figure below provides a snapshot of the Model with its Spatial Criteria and Weighting fields. The weightings can be amended on the Model to suit the objectives or outcomes of a particular program.

Spatial Prioritisation of the Housing Programme

Criteria	Details	Weighting	
		Greenfields	In Situ Upgrades
Bulk Infrastructure Costs	1. Distance to Existing Sewerage Network 2. Water, Roads, Stormwater & Electricity (from Cost Surface Model (CSM))	x	x
Personal Travel Costs	From CSM (using ETA's OD Matrix)	x	x
Extended Integrated Rapid Public Transport Network (IRPTN+)	1. Distance to Road (Trunks, Feeders & Intersections) 2. Distance to Rail (Stops & Key Stations)	x	x
Economic Opportunity	Distance to Significant & Minor Economic Land Uses (both Existing & Future)	x	x
Basic Social Facilities	Distance to Social Facility Node & Existing Facilities (Primary & Secondary Education, Health Care)	x	x
Urban Development Line	Within or Out of the UDL	x	x

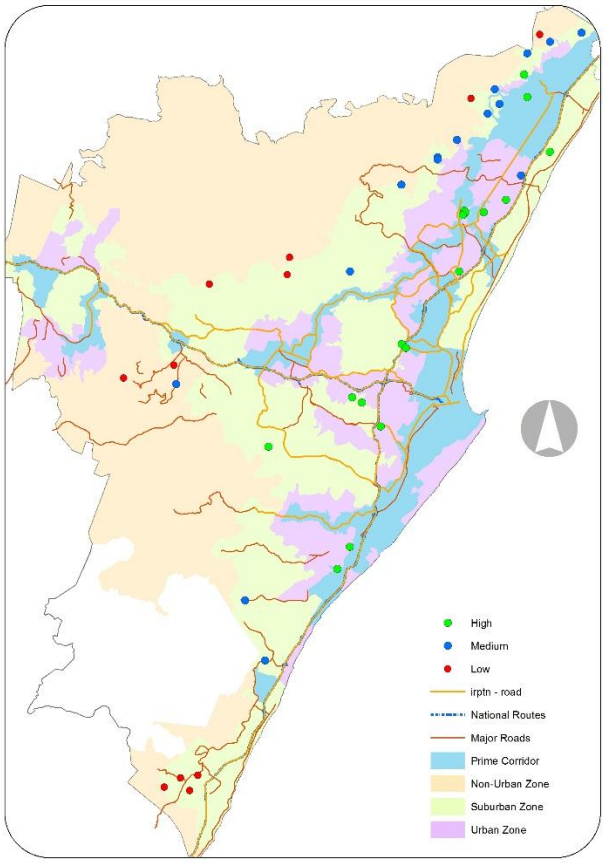
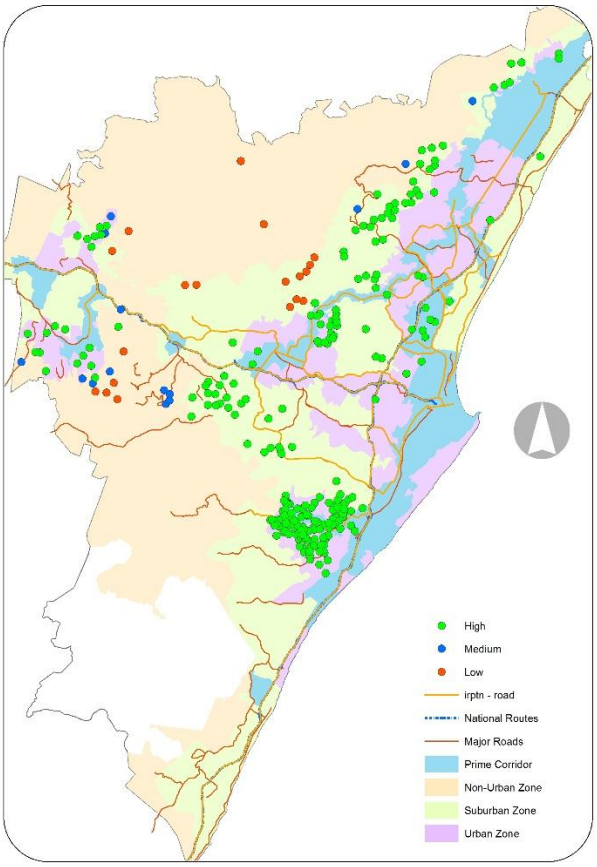
An example of applying the Model to informal settlement upgrading projects is the ability to determine appropriate interventions viz. full upgrading and incremental and/or basic services. The rationale was for the housing delivery program to work its way from the top of the list viz. selecting those settlements that were least costly to implement from a bulk infrastructure perspective and those that were fairly well located. On the other hand, settlements that did not score so well on the matrix viz. those at the bottom of the list (where the affected households would have had to wait longer for a housing intervention) were identified for the Basic Services program. The idea being that as both the housing delivery program and the Incremental Services program work their way from the top and bottom of the list respectively, they will eventually meet somewhere in the middle having covered all settlements with some form of intervention.



The figure illustrates the intention of Model applied to Informal Settlement Upgrade Projects.

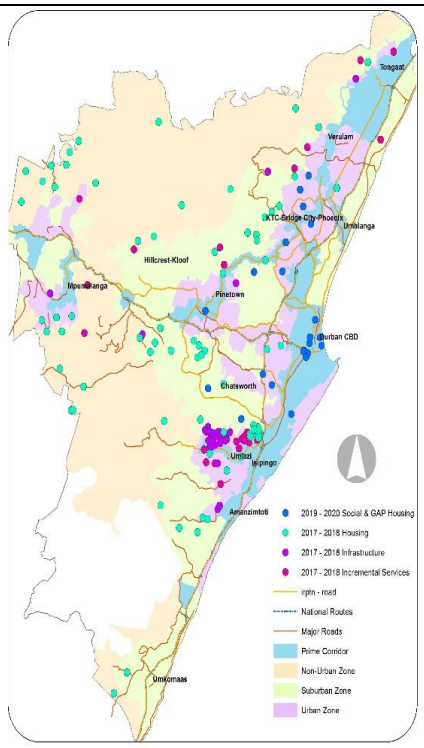
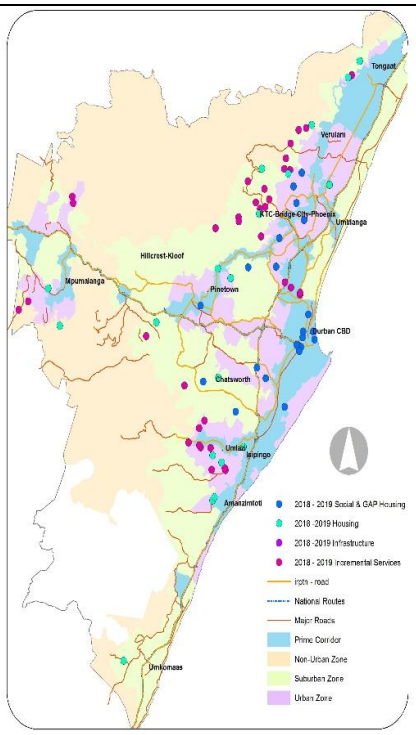
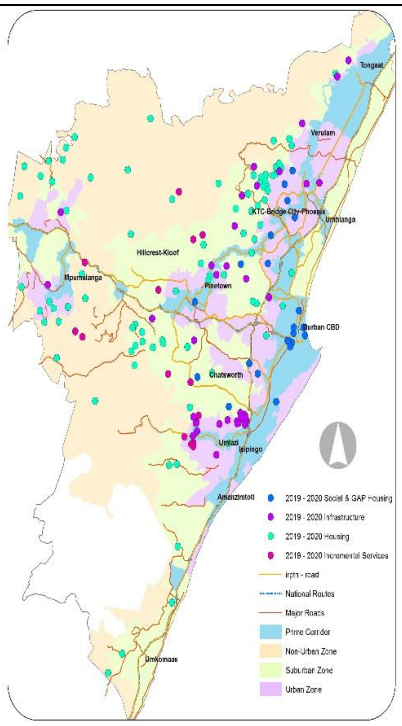
Analysis of Proposed Greenfield and Upgrade Projects in the Model Against the ICDG Zones

The tables below reflect the ranking (high, medium and low) of the proposed greenfield and upgrade projects determined by the Housing Spatial Prioritisation Model against the ICDG Zones. Despite a few anomalies, the vast majority of high ranking projects are rightfully located within the Prime, Urban and Suburban Zones. Using a combination of the Model and the targeted Zones (especially the Prime Corridor), the Municipality will begin prioritizing its new projects in line will spatial targeting to ensure there is clear alignment with its BEPP objectives.

Proposed Large Greenfield Projects	**Proposed In Situ Upgrade Projects**
	

MTEF Evaluation

The Maps below outline the 2017/18, 2018/19 and 2019/20 MTEF projects in relation to the ICDG Zones.

2017/18	2018/19	2019/20
		

Analysis of funding directed to the various Zones

This analysis is currently in progress to be completed in April.

It should be noted that the MTEF reflects a number of projects which were implemented prior to the development of the Housing Spatial Prioritisation Model. As such existing contracts, commitments and expectations need to be appreciated. However, going forward, there will be a concerted effort to align the selection of all new projects with the Model and targeted Zones. Also, worth noting is that the Municipality is implementing Rural projects especially in the context of its boundary comprising a substantial rural component - over 60%.

MTSF Targets by NDHS

The NDHS has outlined various delivery expectations of all the Metros in terms of their MTSF ending in 2018/19. The table below describes progress made thus far. Level 2 services to informal settlements according the NDHS is the provision of services to individual households including tenure while Level 3 refers to everything in Level 2 together with top structures. The Municipality's Incremental Services project provides communal services in terms of sanitation while electricity is provided to individual households. This is suite of services is complemented with roads, footpaths and stormwater controls. The section following the table below summarises the challenges the Municipality faces in meeting Level 2 expectations.

MTSF - CONTRIBUTION TOWARDS MTSF TARGETS: ETHEKWINI

MTSF TARGET 2019	National 5 Yr MTSF Target for Metro	Annual MTSF Target	2014/15 Actual	2015/16 Actual	2016/17 Target	2017/18 Target	2018/19 Target	5 Yr MTSF (less or More)
750 000 households in informal settlements upgraded to Phase 2 of the Informal Settlements Upgrading Programme								
Individual Households								
Water	56905	11381	600	3037	10000	10000	10000	-23268
Sanitation	56905	11381	1249	1600	8000	8000	8000	-30056
Electricity	-	-	16769	16385	15000	30000	25000	-
Shared services (number of households benefiting)								
Water	-	-	8000	9000	18000	18000	18000	-
Sanitation	-	-	21375	15000	18000	18000	18000	-
Title Deeds:								
563 000 for new developments	-	-	-	-	-	-	-	-
Pre-1994 housing stock	-	-	336	400	1000	1500	2000	-
Post-1994 housing stock	-	-	504	600	3000	3000	4000	-
10 000 of hectares of well-located land (excl rural)	-	-	140	112	300	300	300	-

Level 2 Upgrading Challenges

- High densities prevalent in informal settlements;
- Need to de-densify the settlements, but also the requirement to relocate households to alternative and suitable greenfield land;
- In the context of achieving densification objectives in key targeted ICDG zones, de-densification and providing individual households with a stand makes such a scenario unworkable;
- This will be further compounded by the need to acquire land whereas the incremental services programme does not warrant the acquisition of land at this stage;
- The steep topography as well as the need to acquire land from private owners are further constraints to undertaking Level 2; and
- The policy of eThekwini Water & Sanitation is to service individual stands/units only when these are officially registered via a GP.

NODES OF HIGHER ORDER SOCIAL FACILITIES & LOCAL SOCIAL FACILITIES

Social facilities provide an important service to communities and the provision of these facilities is integral to the response to marginalized areas in eThekwini. eThekwini has an adopted set of social facility standards and social facility nodes. The geographic location of both local and national social facility backlogs has been determined and an integrated intervention plan has been developed to eliminate these backlogs. Many facilities are provided by national and provincial departments and this is part of the IGR engagement process documented in Part C of the BEPP. The priority from a BEPP perspective would be to prioritise all facilities (municipal, provincial and national) that respond to the roll-out of both human settlement programmes and the IPTN. This will contribute to an integrated response that builds quality living environments as espoused in the eThekwini IDP.

ADJUSTMENTS TO OTHER SPATIAL TARGETING INSTRUMENTS

Priority Housing Development Area (PHDA)

Cornubia South is a designated PHDA. Application has been made to National Human Settlements to also designate Cornubia North, Umlazi Regeneration, Bridge City KTC, Mpumalanga, Inner City, and Amaoti as PHDA's. An announcement by NHS is expected in the near future.

Social Housing Restructuring Zone (SHRZ)

eThekwini has numerous SHRZs. They were designated in two Phases several years apart. All of the existing SHRZ's fall within the Urban Zone, except Chatsworth, which is in the Suburban Zone. A SHRZ has been proposed to National Human Settlements, to cover the whole of the Urban Zone. The rationale is that this Zone, as the site of most intensive capital investments, and as the preferred location for residential densification, as well as a preferred site for rental accommodation, should be afforded every opportunity to bring in the necessary investment.

Urban Development Zone (UDZ)

The greater part of the Durban CBD is a UDZ. Because the Durban CBD Is wholly contained with the Phase 1 Integration one and is also a High-Intensity Zone within the Integration Zone, no adjustment to the spatial definition of the UDZ is presently suggested.

Special Economic Zone (SEZ)

The Dube Trade Part has been designated as a SEZ. Its status as an SEZ is intended to stimulate economic investment and trade.

Industrial Development Zone (IDZ)

eThekwini does not have an IDZ. It appears unlikely that government will support new IDZ's, and instead is likely to consider converting existing IDZ's to SEZ's. Consequently, no IDZ is proposed for eThekwini.

Adjustments to SDF and Land Use Management System (LUMS)

One of the principles for the definition of the Prime Investment Corridor is that its geographic extent should be based on intensifying and prioritising already intense and-or approved economic, mixed, and intense residential land uses as described in the SDF, Sub-metropolitan Spatial Development Plans (SDP's), and LUMS.

This principle has been applied, to the SDF, but SDP's and LUMS have not yet been reviewed for their alignment. The assumption that the Prime Investment Corridor accurately and comprehensively interprets the other planning instruments has not been deeply tested,

Pending exercises are:

- The sideways integration of Sector Plans to each other;
- The upward integration of sector Plans into the IDP, SDF, SDP's and BEPP; and
- Review of LUMS to check and correct its alignment with the Prime Investment Corridor.

PART C – **Intergovernmental Project Pipeline**

PRIORITISED PROJECTS FOR THE PRIME INVESTMENT CORRIDOR

This project list will be created in April 2017 once all key municipal sectors have overlaid the recently re-prioritised Integration Zone over their spatially referenced programmes, to determine which municipal projects are considered the highest priority. The inter-governmental or IGR projects in support of the municipal priority projects will be lifted out and communicated with the IGR partners and high level cost estimates requested as well as a commitment to start project packaging as early as possible.

The IGR Project Pipeline that shows the required alignment and coordination of project investment has been populated for Catalytic Projects and Mega Human Settlement Projects and are attached as separate Annexures 2a to 2b respectively.

PART C 1 – KEY PROJECTS

MTEF ALLOCATIONS TO CATALYTIC PROJECTS IN IMPLEMENTATION

For the 2016/17 to 2018/19 years of the MTEF, approximately a billion rand per annum is allocated in support of catalytic projects. This amount falls off in 2019/20 but this is probably due to project preparation not having been completed for the outer year.

Catalytic Project	MTEF Budget (Rm)			
	Approved 2016-17	Proposed 2017-18	Proposed 2018-19	Proposed 2019-20
1. Multiple	10.0	38.5	40.0	30.0
2. Point Waterfront	16.2	12.9	90.6	8.1
3. Warwick Junction	0.0	0.0	30.0	93.0
4. Centrum Government Precinct	0.0	0.0	30.0	31.5
5. Cornubia Integrated Development	291.0	330.8	359.6	238.2
6. Dube Trade Port	0.0	1.0	3.0	0.2
7. Southern Densification Corridor	25.4	46.2	35.5	30.0
8. IRPTN – C3 Corridor	657.1	479.0	330.5	39.8
9. Keystone Logistics Hub	4.0	49.5	36.0	26.4
Total	1 003.7	957.9	955.2	497.1

Annexure 3a: Catalytic Projects- this is complete and is a separate Annexure to this BEPP document.

Annexure 3b: Mega HS Projects- this is complete and is a separate Annexure to this BEPP document.

PART C 2 – INSTITUTIONAL ARRANGEMENTS & OPERATING BUDGET

LEADERSHIP, GOOD GOVERNANCE AND PLANNING (STRATEGIC AND OPERATIONAL)

City Support Programme Forum - Composition and Reporting

eThekwini has a City Support Programme Forum chaired by the Chief Strategy Officer and attended by senior staff from Planning, Human Settlements, Economic Development, Catalytic Projects, Transport, Water Services, Roads, Social Sectors, Treasury, and Corporate Strategy. The Forum is served by a part-time Secretariat comprising one senior manager as well as part-time BEPP representatives from each sector. The City Manager is periodically briefed on the progress of the Forum.

The Forum members input and review the work of the Secretariat on the identification of the UNS and IZ's, the itemising of the ICDG budget, compilation of the CSIP and presentations to NT as well as discuss issues of a strategic and cross-cutting nature.

The next steps regarding the Forum is to formalise its terms of reference and its status as a collaboration Forum designed to support horizontal integration between municipal line departments. The current work stream within the CSIP dealing with transversal management will be drawn on in this process. Having a formally adopted membership and the provision of additional capacity for integration type work, will improve the operation of this Forum.

City Support Programme Forum Secretariat

The Secretariat needs additional resources. There is currently one full time senior manager and one temporary contract appointment, but permanent staff and access to panels of professional service providers is urgently required to speed up the production of work in support of the BEPP. The Office of the Chief Strategy Officer has an organogram currently in process of formal adoption which identifies resources to deal with the BEPP and spatial budgeting.

Teams for Catalytic Projects

An issue has been identified around how to best drive the development within the integration zone, but particularly the mechanisms for Catalytic Projects. It is suggested that each Catalytic Project has its own dedicated team, and that the best suited form of the team chosen for each project is based on its scope and stakeholders. Interim arrangements have been made to focus staff resources on the Catalytic Projects. For each, a project facilitator has been assigned, though each project facilitator serves more than one Project. . A Catalytic Projects office has been established in the office of the Deputy City Manager for the Economic Development and Planning Cluster.

Project Facilitators have been seconded to this office on an interim basis from various Units, as a precursor to the establishment of a 'One Stop Shop' which would facilitate Catalytic Projects as one of its functions.

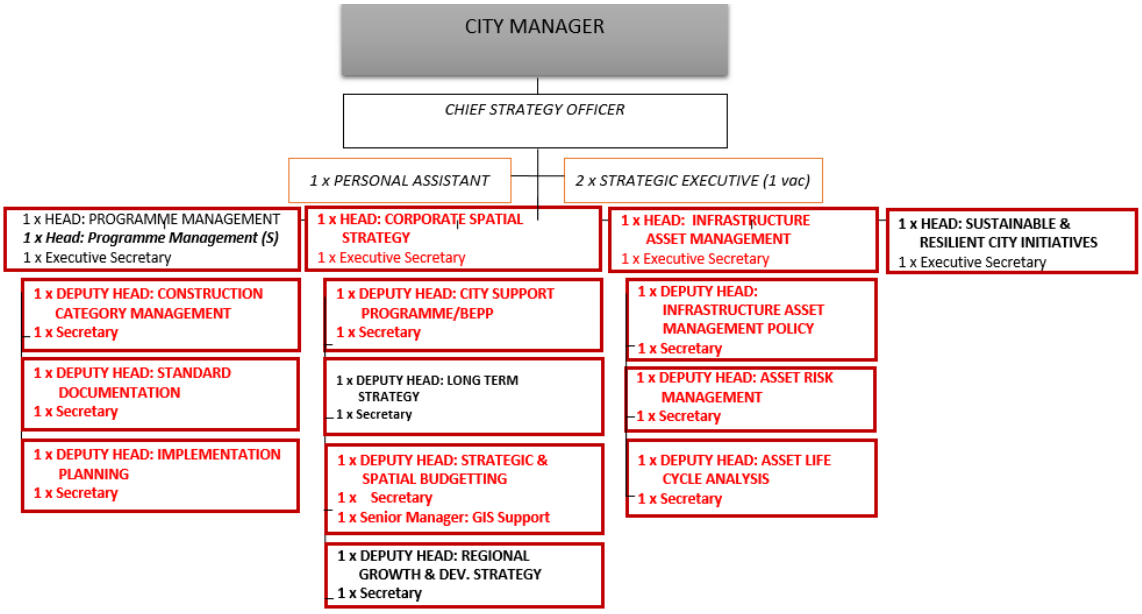
There are known precedents that need to be unpacked and analysed:

- The project matrix model, which features the establishment of a Project Steering Committee;
- The CMDA model, an agency of different spheres of government;
- The ABM model, primarily a planning and referral agency of municipal line departments (and consequently not in control of significant capital budgets);
- Strategic Projects, a municipal entity set up to coordinate 2010 projects;
- The International Convention centre, a company wholly-owned by the municipality, for the specific purpose of developing and operating a municipal asset;
- The Durban Investment Promotion Agency, a municipal agency for the specific purpose as described by its name;
- The Effingham Development Company, a joint venture of the municipality and private sector, for the purpose of developing Riverhorse Industrial and Bridge City; and
- An international case study with which the municipality is familiar is the IPOC model from Curitiba.

The municipality requests Technical Assistance to assess the precedents listed above and others, and to formulate an institutional response for managing the development of the Catalytic projects and Prime Investment Corridor.

INSTITUTIONAL ARRANGEMENTS FOR CAPITAL PROGRAM MANAGEMENT

As shown below, the Strategy Office of the Municipality has a Programme Management function which is intended, through a collaborative arrangement across all relevant Units and Departments, to drive Programme Management across the Municipality.


CITY MANAGER
CHIEF STRATEGY OFFICER
1 x PERSONAL ASSISTANT
2 x STRATEGIC EXECUTIVE (1 vac)
1 x HEAD: PROGRAMME MANAGEMENT
1 x Head: Programme Management (S)
1 x Executive Secretary
1 x HEAD: CORPORATE SPATIAL STRATEGY
1 x Executive Secretary
1 x HEAD: INFRASTRUCTURE ASSET MANAGEMENT
1 x Executive Secretary
1 x HEAD: SUSTAINABLE & RESILIENT CITY INITIATIVES
1 x Executive Secretary
1 x DEPUTY HEAD: CONSTRUCTION CATEGORY MANAGEMENT
1 x Secretary
1 x DEPUTY HEAD: STANDARD DOCUMENTATION
1 x Secretary
1 x DEPUTY HEAD: IMPLEMENTATION PLANNING
1 x Secretary
1 x DEPUTY HEAD: CITY SUPPORT PROGRAMME/BEPP
1 x Secretary
1 x DEPUTY HEAD: LONG TERM STRATEGY
1 x Secretary
1 x DEPUTY HEAD: STRATEGIC & SPATIAL BUDGETTING
1 x Secretary
1 x Senior Manager: GIS Support
1 x DEPUTY HEAD: REGIONAL GROWTH & DEV. STRATEGY
1 x Secretary
1 x DEPUTY HEAD: INFRASTRUCTURE ASSET MANAGEMENT POLICY
1 x Secretary
1 x DEPUTY HEAD: ASSET RISK MANAGEMENT
1 x Secretary
1 x DEPUTY HEAD: ASSET LIFE CYCLE ANALYSIS
1 x Secretary

The Programme Management structure provides for Construction Category Management, Standard Documentation and Implementation Planning.

Construction Category Management is intended to identify the programmes and portfolios, undertake spend and ease of supply analyses and to make recommendations on appropriate procurement strategies for each programme and portfolio.

Standard Documentation is intended to ensure that the procurement strategies are backed up by appropriate documentation to give effect to these strategies. This Department is intended to be a best practice hub also dealing with knowledge and change management. The intention is to ensure that, wherever possible, standardised documentation is utilised. This function will also provide training to Line Departments on how to compile procurement related documentation.

Implementation Planning is meant to deal with pre-implementation support by ensuring that project and programme pipelines are created and that all relevant actions and decisions relating to these pipelines are timeously taken to ensure smooth implementation. This Department will also deal with programme and project oversight, strategic programme delivery management, programme financial control and integrated programme controls. Currently an integrated roadmap is under preparation which looks at the critical milestones and their inter-relatedness for the planning, budgeting, reporting, performance management and Infrastructure Asset Management processes. The intention is to ensure firstly that these important activities are treated as ongoing processes rather than events and secondly to ensure that all activities upstream of the milestones are identified and properly planned for.

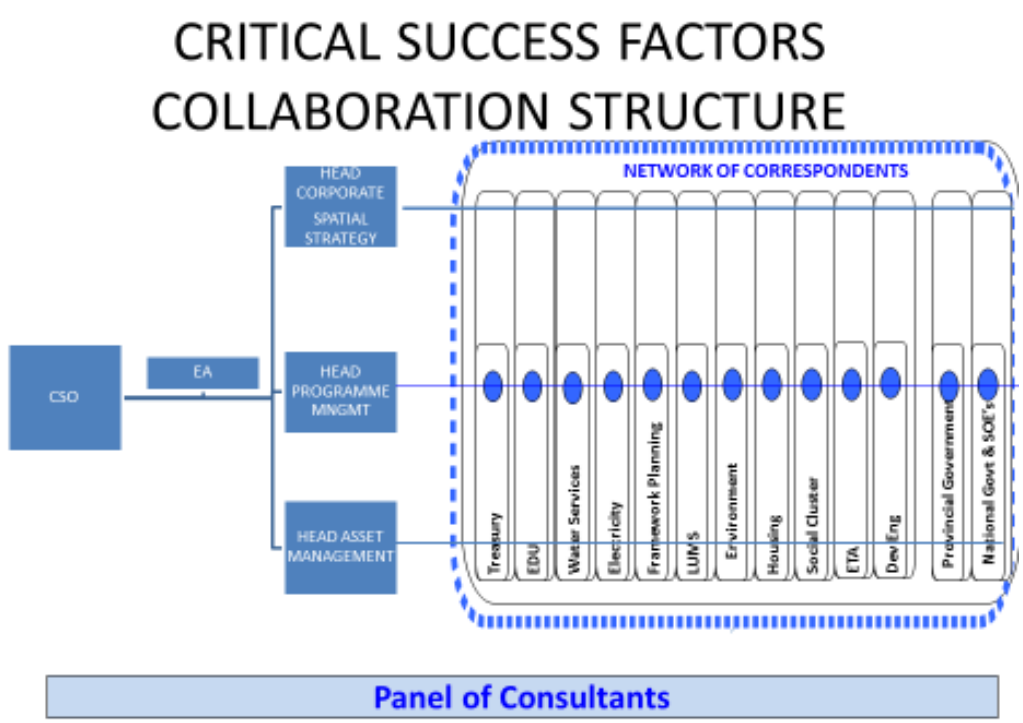
The organogram for the Strategy Office is currently at the Unit Labour Forum for consultation whereafter it will be submitted to the Executive Committee of the Municipality for approval. Resourcing will commence thereafter subject to the availability of funding.

Whilst this institutional process is underway a firm of consultants have been engaged to assist with a conceptual design of a Programme Management Office. This work has commenced and is scheduled for the next 3 months.

To ensure critical system support the City has also undertaken a business needs assessment relating to software support. In conjunction with the upgrade of the current Enterprise Reporting System, it is envisaged that a recommendation will be made to the ICT Steering Committee re an appropriate Project and Programme Management module. Together with other related modules, this will ensure maximum visibility across the pipeline from concept to divestment for a range of stakeholders including management, community and other stakeholders.

The CSP programme has also been requested to assist the City with a Transversal Management study to ensure that the critical collaborative structures are backed up by appropriate performance management and other systems to ensure their effectiveness beyond the goodwill and passion of individuals.

Critical areas identified for Transversal Management are shown below.



In the interim eThekwini has a capital monitoring collaborative forum chaired by the City Manager which monitors the capital spend of the municipality, and which also monitors a key precursor to spend, namely the procurement process. This is supported by a software tool which captures spend and key activities. Weekly budget meetings with multiple service units, to coordinate spend, procurement, and related processes take place.

The City Manager's office is also monitoring the "Top 150" capital projects. These projects have been selected because of their budget quantum and-or because of their urgency. The Top 150 follows a similar process. As discussed above, in parallel, the municipality is preparing itself to implement CIDMS, which is concerned not only with spend and procurement, but also with the remainder of the project cycle and with comprehensive program management.

Intended for the forthcoming twelve-month period is the formulation of a single corporate spatial strategy linked to the budget. The City Support Programme/BEPP process is the fulcrum for this. The single corporate spatial strategy will demand a synthesis of and a spatialisation of sector plan priorities together with the refinement and simplification of spatial priorities within the SDF and SDP's. At present, service units determine their own budgets with loose reference to the IDP and other corporate strategy instruments. An intention of the single spatial strategy is to ensure the conscious and corporate selection and prioritisation of programs and budgets in order to achieve spatial transformation and higher economic growth.

Supply Chain Management and Procurement Plan

Like many other municipalities, eThekwini uses a three-committee system for making decisions on the award of expenditure over R 200,000:

- Bid Specification;
- Bid Evaluation; and
- Bid Adjudication.

Each committee is independent of the other.

The SCM process shifted over to Treasury during 2012, and one of the first actions after the shift was the process to compile a single procurement schedule. Service units were requested to submit procurement planning information for the remainder of the 2012-13 financial year as well as the procurement plans for the 2013-14 financial year. This information was consolidated into a single plan.

In order to assist with the process of recording procurement plan information, as well as tracking the procurement through the bid committee process, an IT system was configured using the JD Edwards software. The system is ready for use and can be used to assist with the continuing procurement scheduling and tracking of procurement status.

In the interim (prior to system readiness), in order to monitor the procurement for the top 150 capital budget line items, a spreadsheet system was used in order to record and monitor procurement information. This information is reviewed at frequent top 150 Capital project meetings chaired by the City Manager.

MUNICIPAL CONSULTATION WITH PROVINCIAL and NATIONAL GOVERNMENT and THE PRIVATE SECTOR

Partnerships

Partnerships with other government departments covers planning, project implementation and to a limited extent, operations. There is generally a poorly developed partnership on the planning side and this frustrates the development of a strategic pipeline of the right projects in the right areas and it frustrates the ability to make transformative changes to communities since municipal delivery needs to be complemented by delivery of national and provincial level infrastructure items and other types of products.

Most of the engagement with national and provincial departments remains at project level where these departments require assistance from the municipality or the municipality requires an investment in a specific geographic area and engagements focus at that level. However, there are a number of fairly recent green shoots developing in this regard.

Provincial Infrastructure Reporting Model (IRM) & Infrastructure Master Plan

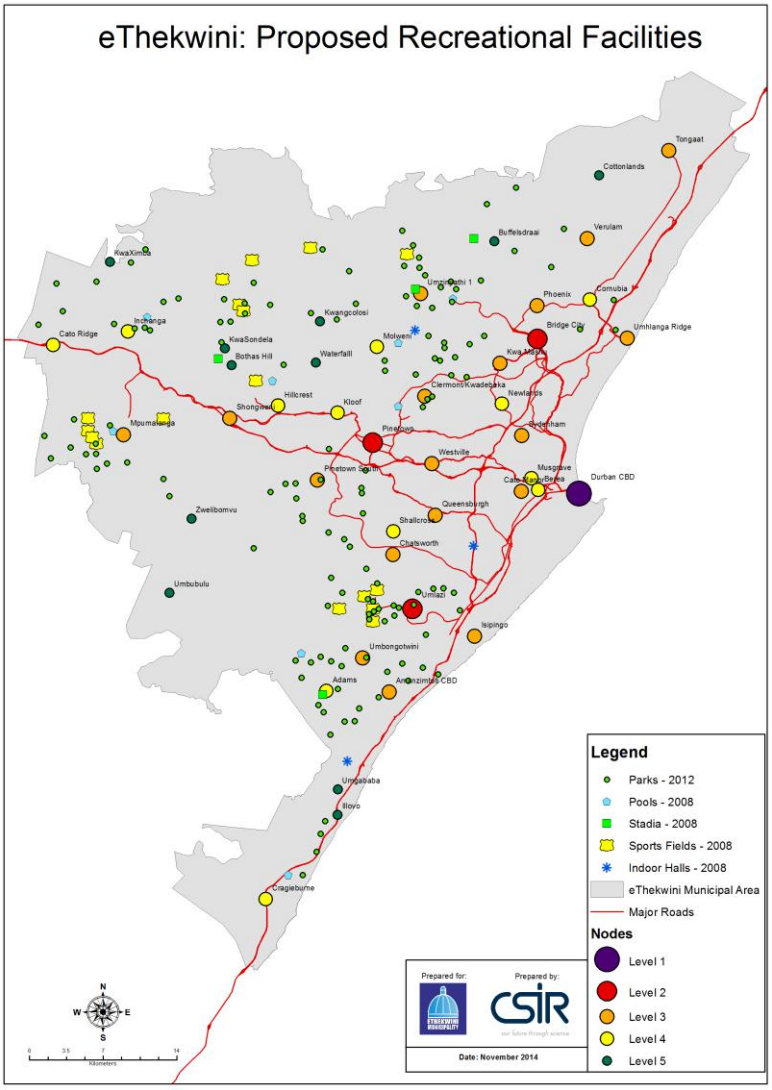
The above model that has been implemented by the KZN Provincial Treasury has taken provincial budgeting a huge step forward and has the potential for significant integration of provincial budgets to achieve provincial outcomes. This model has benefitted eThekwini in that it has facilitated access to more of the provincial budgets and has started a process of budget mapping. eThekwini welcomes the opportunity to forge closer relationships with the province with a view to partnerships on joint planning, budgeting and implementation. The benefit will be significant for both parties.

Another area of great potential collaboration with the Province is around the KZN Infrastructure Master Plan. A few meetings have been held between eThekwini and the Province and we look forward to taking integrated infrastructure planning forward jointly with the Province.

Social Facilities: municipal, provincial & national engagement

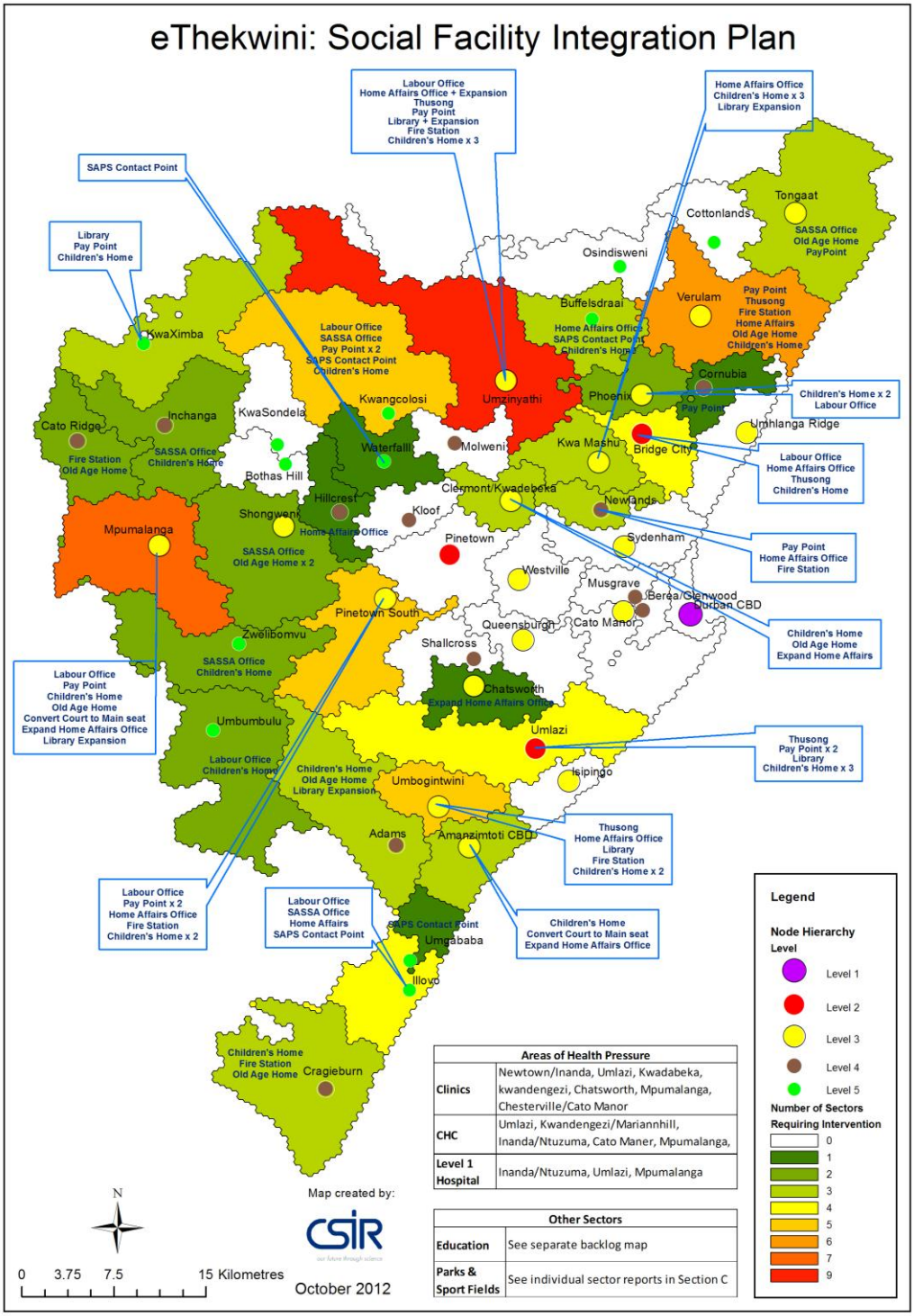
Municipal facilities

The eThekwini municipality has undertaken accessibility modelling of social facilities from as far back as 2001 and as such is a leader in this field across the metros. The purpose of this modelling work was to bring a scientific and evidence-based method to the determination of the quantum and spatial location of social facility backlogs across the full spectrum of social facilities. For all municipal level, social facilities eThekwini has a backlog eradication plan that it is implementing- this can be seen below. A hierarchy of social facility nodes has been developed (using catchment analysis techniques) and this acts as a spatial frame for co-ordinating all investment in social facilities. The clustering of local, but especially higher order facilities in accessible development nodes will be promoted to benefit residents who can make a single trip to access a range of services. Clustering a range of facilities will mean that more people will visit the social service node which in turn can promote small business opportunities. The clustering of facilities also creates the opportunity for sharing of services, such as ablutions, parking and security etc. Clustering and multi-use of facilities is a principle adopted by both the municipal Architecture Department as well as the national Department of Public Works.



National facilities

At national level eThekwini was part of the report by the national department of Public Service & Administration titled “Geographic Accessibility Study of Social Facility and Government Service Points for the Metropolitan Cities of Johannesburg and eThekwini”. This report captures the backlogs of national social facility departments and eThekwini would like to engage with these national departments with a view to implementing the proposals made by this report, which can be viewed in the map below titled “eThekwini Social Facility Integration Plan”. From a BEPP perspective the priority social facility projects would be those that fall along the major public transport corridors and related catalytic projects and urban network strategy elements. Apart from the eradication of historical backlogs, social facilities are required to serve areas of new growth as well and these are the subject of a study that is in process of being initiated.



As recently as the 2016/17 midterm budget review process held in February 2017, we were approached by the national department of Public Works (DPW) to initiate a partnership to assist them with a significant proposed investment in the Durban Inner City Centrum that DPW are co-ordinating on behalf of national social facility departments. This falls within the Planning & Precinct Development Programme of DPW which is creating government precincts through an approach premised on spatial targeting and fostering the clustering and multi-use of government buildings. This is another example of good IGR which we intend supporting and growing. The DPW have committed to supporting eThekwini in the implementation of its SDF and BEPP in so far as national social facilities are concerned. The facilities being built by these national departments tend to be higher order facilities (such as Thusong Centres, Magistrates Courts, Home Affairs Offices etc) and they attract large numbers of people and as such are key pieces of the built environment that, if built in the right places, have a transformative capacity.

The current budget allocation to eThekwini is captured in the table below and it represents a major investment in the Inner City which is one of the municipal Catalytic Projects;

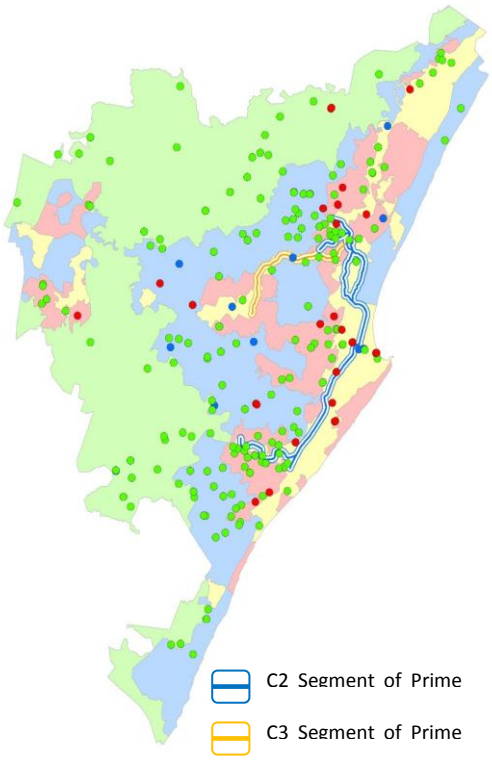
EXISTING URBAN PRECINCTS – Metro's **eThekwini Inner City**							
City/Town	Total lease portfolio (m^2)	Extent of development (m^2)	Site enablement Budget (R)	Service construction start date	Indicative EPWP Job creation figures (Site)	Project budget (R)	Project Implementation timeframe
eThekwini	**90 429**						
Security Precinct		47 409	R16 million	2019	106	R853million	2021
Centrum Precinct		52 460	R40 million	2022	260	R944million	2021
Court		28 526	R10million	2019	66	R513million	2021

Provincial facilities

At provincial level, there have been many efforts over the years to achieve alignment of planning, budgeting and implementation but this has, until recently, delivered limited results. Some progress has been made recently at the strategy level with the Provincial Treasury Infrastructure Reporting Model on the sharing of MTEF allocations for some provincial departments which is allowing eThekwini to understand how provincial departments intend intervening in our space. The table below shows the budget allocations and grant proportions which indicates that eThekwini is being allocated fairly high levels of the provincial budget with the exception of Roads maintenance.

Funding Source	**Amount**	**Percentage**
Education Infrastructure Grant	347 064 887	20%
Equitable Share	718 815 961	42%
Health Facility Revitalisation Grant	575 480 736	33%
Provincial Roads Maintenance Grant	88 055 430	5%
Total	**1 729 417 014**	**100%**

The spatial distribution of the budgets we were able to access with co-ordinates is shown in the adjacent map and it reflects some concentration of budgets around the Prime Investment Corridor which is focused on the public transport corridors. However further interrogation is required and we need to move from a situation of being a passive recipient of provincial budgets to being an active participant in the planning.



Education facilities

Currently there is a huge backlog of Grade R, Primary and Secondary school access within the municipality and this has existed for many years which indicates that there are capacity and/or resource constraints within the Department of Education which hinder its ability to address this at scale. (At last count, there was a backlog of xx- insert detailed backlog figures). Below is the Education Department budget for eThekwini which shows that the backlog is being addressed at a very slow pace given the scale of the need.

School name	**Amount**
Uxolophambili Secondary	9 571 851
Cornubia Primary	4 508 530
Ulovu Area Secondary	11 902 149
Westmead Secondary	17 300 083
Zizamele Primary	138 106
Nsimbini	3 644 780
Completion of Quarry Heights Primary	5 160 432
Matabetulu	8 911 644
Ingcindezi Primary	1 964 000
Dlulumuzi	1 964 000

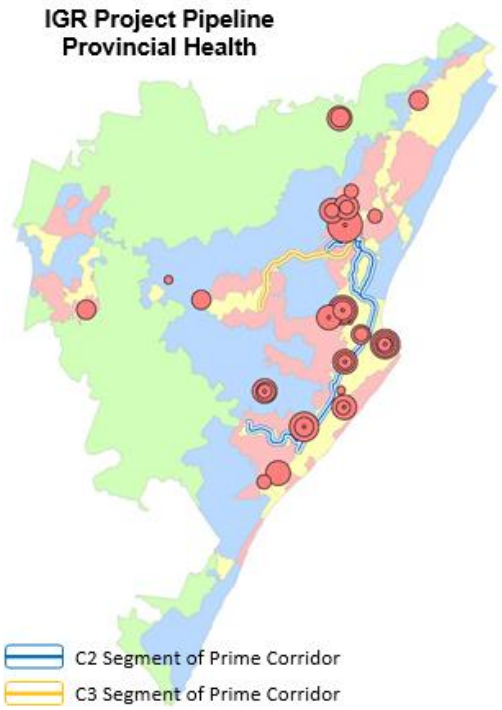
Given the importance of education the municipality intends engaging further, via the CSP process, with the Department of Education to identify what the broader Education Strategy is to turn around the education system and how the municipality is best placed to assist with this process.

Currently the municipality is expanding its incremental services programme to pilot Early Childhood Development (ECD) initiatives within informal settlements as a way of supporting early education outcomes.

At an operational level, there is an existing Memorandum of Agreement (MOA) with the Department of Education (DoE) whereby eThekwini acts as Implementing Agent on infrastructure at schools (the municipality is involved in building ablutions at many schools on behalf of the DoE and has designed, and will soon oversee the construction of, an entire school within Cornubia) and on the management of school's sports fields and libraries, as after-school-hours community facilities. The implementation agency and the management arrangement on school sports fields are not general throughout the city, but rather on a case by case basis (such as in Cornubia currently). Innovating around new models of service delivery takes consistent effort over many years to bear fruit. This is an area that requires some dedicated transversal capacity in order to achieve further results. Given the crucial role that education plays in transforming society, this is a critical area for further engagement. The innovation around the clustering of social facilities at schools and the after-hours use of the school library and sports fields not only creates savings in capital but has a significant positive contribution to the achievement of higher nett residential densities within communities and as such contributes to spatial transformation.

Health facilities

Currently there is a huge backlog of primary health care facilities within the municipality (only 56% of residents having access to health services within the standard). This situation has prevailed for many years and this indicates that there must be capacity and/or budget issues within the Department of Health (DoH) that is hindering its ability to deal with the backlogs rapidly. eThekwini would like to engage with the DoH to see how best the municipality can assist since the health of eThekwini residents is such an important issue. Recent budget figures indicate a substantial increase in health budgets allocated to eThekwini and what is more, most of these budgets are concentrated around the Prime Investment Corridor which shows an allocation of R3.5 bn out of a total allocation of R4.4 bn over the MTEF. This is a very positive development.



Health facility	Amount
Osindisweni Hospital	3 036 000
Tongaat CHC	1 051 000
Hillcrest Hospital	927 000
Phoenix Mortuary	300 000
Inanda C CHC	6 840
Phoenix Assessment Centre	618 000
Mahatma Gandhi Hospital	5 209
Dr Pixley ka Isaka Seme Memorial Hospital	549 134 000
Addington Hospital	4 072 000
King Dinuzulu Hospital	18 139 893
Phoenix CHC	927 000
Clairwood Hospital	1 495 749
Wentworth Hospital	2 300 000
St Andrews Hospital	3 275 000
R K Khan Hospital	754 000
Highway House: Mayville	2 130 000
King Dinuzulu Hospital	894 000
King Edward VIII Hospital	450 840

Partnerships for Integrated Human Settlement

For the development of Cornubia South (underway) and Cornubia North (proposed), a functional partnership has been established between the municipality, the landowner (Tongaat-Hulett Developments), the Housing Development Agency, and the DHS. The partnership is served by a full-time secretariat comprising municipal officials. The municipal Architecture Department has completed the detailed plans for one of the Cornubia school clusters and these plans are currently being evaluated by the provincial department. Budgets have been allocated by province and the next step is contractor procurement. Hopefully this partnership process related to the Cornubia project will set in motion a regular, programmatic interaction between eThekwini and the provincial DoE which can then be extended to deal with joint planning for schools.

Joint ventures with the private sector

There have been historical and current joint ventures with the private sector around Bridge City and the Riverhorse Industrial Area. Riverhorse Industrial is complete, and at Bridge City the JV succeeded to attract significant private and state investment, and aims to continue to do so until the project is complete. Experience has shown that joint ventures with the private sector can yield very positive returns for all parties and can result in a more co-ordinated development response which is one of the intentions of the BEPP. Partnership arrangements should continue to be supported and enhanced as a means of achieving spatial transformation through the promotion of mixed-use objectives as well as a means of supporting economic development.

IGR Forums

There is a need for structures to be formalised that will assist engagement between the municipality and other levels of government with a view to aligning planning, budgeting and implementation as well as, where necessary, operations. There are internal municipal discussions on the issue of collaboration forums as part of a broader discussion on transversal management which is designed to break down the silos between departments and assist in efforts to improve areas where integrated responses are required from both municipal departments and departments at provincial and national level.

CITY SUPPORT IMPLEMENTATION PLAN

Purpose and Scope

Strategic Support

At a strategic level, despite the support to the senior leadership, the key area for strategic support in eThekwini is around transversal management. This will enable the city in unlocking collaboration across the system on specific programmes and projects in addition to providing clarity on the roadmap that will enable the City to achieve its desired outcomes. Whilst this is a demand led process, the work done on the corporate strategy development will clarify the City's development agenda and the City's theory of change. This is linked to the work by the City Planning Commission and will be supported by a pipeline of catalytic projects which forms the holding bay for most of the support that will be linked to this city theme.

The second area of support is around the long term financial strategy including instruments that can be used to finance eThekwini's various programmes. This project will require understanding of eThekwini's investment needs, cash flows and spatial rates of return to identify the financing need and capacities in different scenarios. This will then respond to their need of looking at the role of various financial tools in a preferred scenario, within a transparent policy framework. This work will particularly complement the project specific work the city is doing on catalytic projects.

The last critical area of support is around the support to human settlements both in up-scaling the upgrading of informal settlements and deepening the understanding of housing markets.

Demand Projects

The city has focused its request for support to the critical areas around transversal management, the long term financial strategy to support its investment strategy, enhancing the economic development agenda through support for investment promotion, their concomitant social strategy on understanding housing markets and the up-scaling of informal settlement upgrading. The following table reflects the focus for 2017/18.

CSP Code	**Project Name**	**Brief Comment**
CG6-ETK1	eThekwini Corporate Spatial Investment Plan	To be closed as it is becoming core of the Planning commission work.
CG11	Long Term Financial Strategy	Part of a nationally driven project and ETK is one of the test metros.
CG2-WS2	Transversal Management	Part of the nationally driven project and ETK is one of a metro's receiving support
ED15-ETK19	eThekwini Investment Promotion	Part of the nationally driven project and ETK is one of a metro's receiving support
ED1-ETK3	eThekwini Development Applications	Part of the nationally driven project and ETK is one of a metro's receiving support. ETK intends using the work on SNDB to improve its internal process based on the business process mapping exercise.
HS3	Understanding Housing Markets Support to eThekwini	Report completed, the city is utilising the results of the report into framing their social housing programme.
HS13-ETK14	Upscaling Informal Settlements Upgrading	City is part of the 3 national pilots.

PART D – **Capital Funding**

PART D 1 – SPATIAL BUDGET MIX

THE VALUE OF PROGRAM AND PROJECTS BY IDP PLAN

The table below analyses the eThekwini MTREF according to the IDP's Eight-Point Plan. The main Plan is "Plan 3: Quality Living Environment" making up 85% of the total budget on average and is broken down to allow interpretation of its emphasis. The Thematic Program "Plan 2: Prosperous, Diverse Economy & Job Creation" is broken down here because of its likely interest to National Treasury in its capacity as one of the main funding sources of the Program. The MTREF shown is what is currently approved. eThekwini's budget cycle for the next MTREF ending 2018-19 is in progress. By April 2017 it is anticipated that the next draft MTREF will have been through council and public processes. Council will adopt the Budget by end May 2017.

	2016-17	**2017-18**	**2018-19**
Plan 1: Spatial, Natural & Built Environment	3.500	3.675	0
Plan 2: Prosperous, Diverse Economy & Job Creation	388.298	509.979	517.013
Plan 3: Quality Living Environment	6.091.177	5.986.853	6.426.449
Plan 4: Socially Equitable Environment	97.736	113.114	204.456
Plan 5: Empowerment of Citizens	7.130	7.030	6.565
Plan 6: Cultural Diversity, Arts and Heritage	60.220	103.100	73.000
Plan 7: Good Governance & Responsive Government	403.862	386.099	369.169
Plan 8: Financially Accountable & Sustainable City	380.110	257.731	268.118
TOTAL	7.432.032	7.367.580	7.864.771

THE APPLICATION OF GRANT RESOURCES BY GRANT PROGRAM AND MUNICIPAL PROJECT

	ICDG	USDG	HSDG	PTIG	NDPG	INEP
Plan 1: Spatial, Natural & Built Environment						
Integrated spatial planning system	■					
Long term sustainability of the natural resource base						
Plan 2: Prosperous, Diverse Economy & Job Creation						
Key Infrastructure					■	
Town Centre Renewal & Neighbourhood Development					■	
Strategic Projects for 2015 and Beyond	■					
Managing the Informal Economy						
Support & Grow the Tourism Sector						
Support and Grow the Fresh Produce Industry						
Plan 3: Quality Living Environment						
Housing and Interim Services	■	■	■			■
Public Transport & Freight		■		■		
Water		■	■			
Sanitation		■	■			
Solid Waste		■	■			
Stormwater		■	■			
Roads		■	■	■		
Electricity		■				■
Community Services Backlogs		■				
Public Spaces						
Plan 4: Socially Equitable Environment						
Plan 5: Empowerment of Citizens						
Plan 6: Cultural Diversity, Arts and Heritage						
Plan 7: Good Governance & Responsive Government						
Plan 8: Financially Accountable & Sustainable City						

PART D2 – LONG-TERM INVESTMENT STRATEGY

eThekwini has a Borrowing Strategy, and a Municipal Services Finance Model. Using these two tools as a starting point, the Municipality has started a work-stream to develop a Long-term Investment Strategy. The work-stream has the participation of the Municipal Treasury, DBSA, and National Treasury.

PART E - **Sustaining Service Delivery**

PART E1 – INFRASTRUCTURE ASSET MANAGEMENT

As noted in SANS/ISO 55000, Infrastructure Asset Management (IAM) translates an organisation's purpose and objectives into infrastructure asset related decisions, plans and activities using a risk based approach. The goal of Infrastructure Asset Management is to deliver required levels of services cost-effectively through the management of infrastructure assets.

The 2016/17 Draft Infrastructure Asset Management Policy has been submitted to municipal structure for approval. This policy confirms the purpose of IAM in the municipality and describes institutional responsibilities. An Integrated Infrastructure Asset Management Plan (IIAMP) is prepared annually that collates the sectoral Infrastructure Asset Management Plans (IAMPs) for the municipality's asset groups (Electricity, Water & Sanitation, Roads, Transport, Parks & Leisure, Storm Water, Solid Waste and Property & Buildings and municipal entities). The aim of the IIAMP is to improve resource allocation decisions made by the municipality to improve the reliability of service delivery by analysing infrastructure asset lifecycle plans. Maintenance of existing infrastructure assets is a key focus of these decisions.

The high Current Replacement Cost and high dependence on the use of infrastructure to deliver municipal services and the typically long useful lives of infrastructure points to a need for infrastructure to receive specific and focused management attention. The total replacement value of the infrastructure is estimated to be more than R 330 billion. The Municipality uses the IIAMP and sectoral IAMPs to continuously improve infrastructure asset management practices, by amongst others:

- Balancing new infrastructure with maintenance of existing;
- Placing a greater emphasis on proactive rather than reactive maintenance; and
- Taking precautions to not over-commit funds to new infrastructure.

Asset Group	Replacement Value (R Bn)
Roads	117.2
Water	45.5
Buildings	14.7
Electricity	89.7
Sanitation	25.9
Coastal & Drainage	15.6
Other (uShaka etc.)	14.1
Land	1.4
Durban Solid Waste	2.2
ICT	0.6
Parks & Leisure	5.2
ETA	2.6
Total	**334.7**

Managing the demand for new infrastructure is also being promoted, e.g., by:

- Reducing the loss of municipal water through replacing water pipes & repairing leaks;
- Reducing water theft;
- Reducing water pressures in the pipe network; and
- Understanding the contribution of new infrastructure to the achievement of the municipality's service delivery mandates. In this respect, the emphasis that the BEPP

places on intensifying development around public transport routes as well as undertaking cost-benefit assessments of proposed development in peripheral areas, is positive in that it contributes to sensible decisions regarding growing the infrastructure networks.

Consideration is also being given to alternative supply projects, e.g.:

- Reducing the dependence on river water through the re-use of water from treatment works;
- Research into seawater desalination; and
- Electricity from methane gas at municipal landfill sites and other alternative energy sources.

PRIVATE SECTOR INVESTMENT APPROACH, INCLUDING THE ALIGNMENT AND RESTRUCTURING PROPOSALS FOR INCENTIVES

Investment Promotion Agency (IPA)

EThekwini Municipality has a long history of investment promotion dating back to 1999 when it formed an Investment Promotion Agency (IPA) following a Best Practice City Commission recommendation. However, in the last 10 years the investment promotion function has been sub-optimally structured and poorly resourced within the City. The function currently exists as a department within the Economic Development and Investment Promotion Unit which is part of the Economic Development and Planning Cluster. A best practice analysis has identified numerous shortcomings with the approach. The City requested assistance through the CSP in structuring a better approach to attracting private sector investment given that this forms one of the important pillars of its Economic Development and Job Creation Strategy (2013).

As part of the national treasury City Support Programme (CSP) the World Bank Group (WB) has been engaged to provide advice through a Bank Executed Multi-Donor Trust Fund (MDTF) funded by the State Secretariat for Economic Affairs (SECO) in Switzerland. One thematic work area within the MDTF aims to contribute towards an improved business enabling environment, more competitive cities with higher job creation potential and more effective public service delivery - leading to inclusive and sustainable growth in the eight metros covered by the program. A subset of work within this thematic area focusses on Investment Promotion at city level and is based on a strong expressed demand for assistance in this field by cities. Following a scoping mission on the topic of Investment Promotion to eThekwini in May 2016, a set of action recommendations for work in this area was approved. Broadly the WB would provide international best practice inputs in terms of the functioning of an Investment Promotion Agency and the drafting of a strategic framework to guide future Investment Promotion activities by the city.

The Strategy Document covers the following key areas:

- **Objectives** Set National and Municipality context and high level objectives;
- **Benefits/Impact on eThekwini** Paint positive visionary picture of potential benefits;
- **Past Performance** Succinctly show numbers over last 5/10 year's jobs investments, give reference names;
- **Directional Change / Step Up** New step up initiative for the city, connect with national cities programme;
- **Brand Proposition of Durban** High level, Current investor proposition, brand strength;
- **IPA Mandate** Set out a clear and concise mandate, narrower is best;
- **Vision** Simple, clear message;
- **Mission** Simple, clear message;

- **New Sector Targets** Articulate, with rationale for agreed new target sectors, set out annual targets of number of projects, employment, and investments, rising gradually to an agreed five-year target;
- **Target Markets** Specify regions/countries for investment seeking in each of the priority sectors;
- **Market Entry Strategy** How will you enter and activate the target markets;
- **Investors served markets** Illustrate the markets investors in Durban will serve;
- **Incentives Strategy** How will you financially influence investors;
- **Non-financial influencing Strategy** Demonstrate the critical non-financial influencing strategy;
- **Investor Aftercare** Articulate critical aftercare strategy and importance;
- **IPA Institutional Position** Where does the IPA sit in relation to the departments, Leadership etc.;
- **IPA Structure and Financing** People - Organization structure diagram and multi annual operational and marketing budgeting;
- **IPA Brand** Deal with historical brand confusion and new brand;
- **Location/HQ** Quality accommodation with strong identifiable image;
- **Accountability and Reporting** Internal performance data capture and future city reporting process;
- **System Asks:** set of benefits to city in return for their medium-term commitment to this new entity;
- **Wider Societal Impact**: impact on SME's employment, services, city confidence;
- **Return on investment** Show how a return on investment can be achieved (use Irish model to demonstrate); and
- **Promotion & Communications** How the IPA will promote the city and the political leadership through direct association with its successes.

The final World Bank mission on this work stream will take place in the week of **5 to 9 June 2017**. The aim of this mission will be to advise and assist with final revisions of advanced drafts of the investment promotion strategy and implementation plan. It will also include a peer learning event over two days in which eThekwini's process and experience will be showcased to other metropolitan cities.

Economic Development Incentive Policy

This policy was first introduced in the 2016/17 financial year and is currently being reviewed. The review takes into account the emerging issues in the Investment Promotion Strategy discussed earlier. The eThekwini Municipality faces the challenge of addressing unemployment, income inequality, and shortfalls in education and training, in addition to boosting government revenue streams. Private investment is required to broaden economic activity, catalyse infrastructure investment, and improve social services within the Municipality and create jobs.

Investment incentives have long been used at all levels of government from national to municipal. However, the common criticism of many of these incentives is that they may only serve the needs of some and create a loss of public revenue. Yet, global experiences indicate that incentives are used to meet the objective of attracting and retaining increasingly mobile capital, create employment, and enhance exports. Governments may also wish to deepen investor's links with local businesses, thus allowing investors to create opportunities for local skills training and education.

In the South African context, there has been an apparent rise in governments' efforts to use incentives as a tool to attract and retain capital that is increasingly mobile. In efforts to create employment, increase competitiveness, generate exports, and encourage and build up their tax bases, governments are using incentives to convince investors to forego *other* incentive

opportunities offered by competing economies and to bring and keep their businesses in that jurisdiction. Once the businesses are there, incentives are also being used to encourage the investments to deepen linkages with and spillovers into the local economy, in this context governments may offer incentives for businesses to hire local employees, procure their goods and services from local providers, and invest in education and training

In its first phase of implementation the EDIP offers two streams of incentives for developments within the Municipal area, namely:

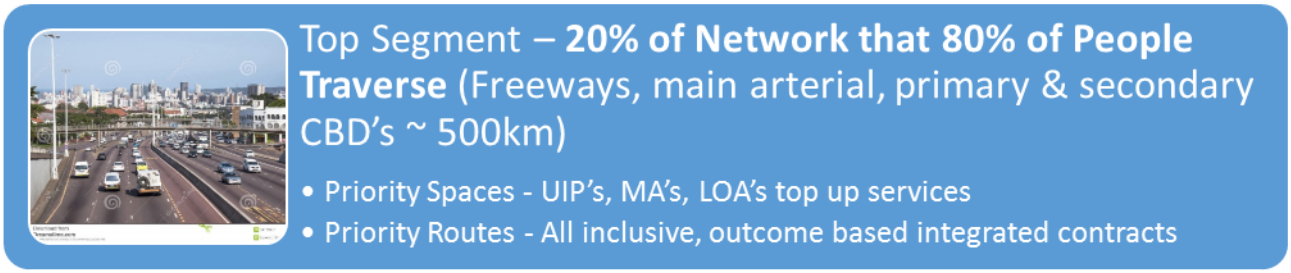
- Financial Incentives: This provides detail to Section 14 of the 2015/2016 Rates policy which has been approved by Council. The offer of financial incentives is in the form of property rates rebates for the identified 3 categories of developments; Greenfields, Brownfields and Derelict Buildings. The monetary value of the rebate is determined by the type and value of development; and
- Non-Financial Incentives. This incentive offer is in the form of investor support to assist in expediting development related applications and other queries.

The Policy is scheduled for a minor annual review and an overhaul every three years. It is envisaged that incentives for the priority sectors enlisted in the Economic Development and Job Creation Strategy 2013 will be phased in and innovative and creative approaches sought to incentivize priority sectors namely; Manufacturing, Maritime and Logistics, Tourism, Business Process Outsourcing, and the Green Economy.

PART E2 – PRECINCT MANAGEMENT

PRECINCT MANAGEMENT ENTITIES

The City's Urban Management strategy is premised around a three-segment strategy as shown below.


Top Segment – 20% of Network that 80% of People Traverse (Freeways, main arterial, primary & secondary CBD's ~ 500km)
• Priority Spaces - UIP's, MA's, LOA's top up services
• Priority Routes - All inclusive, outcome based integrated contracts

Middle Segment – Developed Suburbia ~ 4000km
• Internal Delivery
• Rollout of WMS across all Field Teams
• Performance Management & Service Delivery Accountability Model

Bottom Segment (Rural & Developing Suburbia ~ 2600km
• Community based Contracts, Coops etc.
• Social Economic Strategy
• Rationalised Oversight & Performance Standards

For the top segment, approximately 500 km of priority routes are dealt with by all inclusive contracts.

Priority spaces are dealt with and intended to be dealt with by a combination of Urban Improvement Precincts (UIP's)/Special Rating Areas (SRA's), Management & Lot Owner Associations.

There are several UIP related Precinct Management entities already in operation, namely:

- The Urban Improvements Precincts Company;
- The Umhlanga Urban Improvement Project Company;
- Umhlanga Promenade Urban Improvements Precinct Company;
- Florida Road Urban Improvement Project Company;
- Maytime Community Association;
- The Giba Gorge Environmental Precinct; and
- The Burlington Urban Improvement Precinct.

The Urban Improvements Precincts Company's area of operations include the Inner City and South Beach. These companies have generally been set up in Special Rating Areas designated as Urban Improvement Precincts.

In addition, there are other urban management initiatives in place which include Management Associations as well as Lot Owners Associations.

Management Associations are in place in Riverhorse, Bridge City, Sibaya and other areas typically where Tongaat-Hulett have been the developers. Lot Owners Associations exist in Phoenix and a few other Industrial Parks.

The Municipality has initiated a work-stream to analyse the existing initiatives, and to study precedents elsewhere in South Africa. The aim is to improve the effectiveness and efficiency of the existing Precinct management entities, and to assess the viability and rationale for extending the coverage of urban locations that have precinct management.

The case for change is clearly articulated in the table below where it is apparent that historic high value areas are experiencing a declining or flat trend which poses a risk to the City income. Areas with some form of urban management, like Umhlanga, demonstrate much higher property growth levels.

SUBURB	MARKET VALUE 2009	MARKET VALUE 2013	VALUE CHANGE 2009 TO 2013	2013 % OF TOTAL	CHANGE % FROM 2009 TO 2013
UMHLANGA RIDGE	4 609 850 000	8 036 692 000	3 426 842 000	10.5	74
CBD	6 928 473 000	7 834 807 000	906 334 000	10.3	13
PINETOWN	2 256 346 000	2 685 508 000	429 162 000	3.5	19
AMANZIMTOTI	515 456 000	600 415 000	84 959 000	0.8	16
VERULAM	231 640 000	359 626 000	127 986 000	0.5	55
ISIPINGO RAIL	315 245 000	304 185 000	-11 060 000	0.4	-4
UMBOGINTWINI	32 300 000	204 550 000	172 250 000	0.3	533
TONGAAT CENTRAL	178 810 000	147 400 000	-31 410 000	0.2	-18
ISIPINGO HILLS	147 570 000	136 390 000	-11 180 000	0.2	-8
UMKOMAAS	79 540 000	112 259 000	32 719 000	0.1	41
ISIPINGO BEACH	87 325 000	64 660 000	-22 665 000	0.1	-26

Areas with historical high value properties such as the CBD's and secondary CBD's are clearly in decline or having very flat growth. The table above illustrates this reality. As such there is a very real income risk to the City given that property values are a proxy for rates income.

In addition, the City Planning Commission has identified that, from a governance point of view, the City needs to do more about forging partnerships with stakeholders. Township and other emerging nodes have also been identified as nodes requiring an area based urban management approach.

The City has also created an Area Based Management Institutional structure whose role is to assist with accountability of Council Line Departments within SRA's, MA and LOA's areas and to ensure deeper coordination outside of these areas. An Accountability Model is in place which includes monthly exception reporting up to the level of political committees.

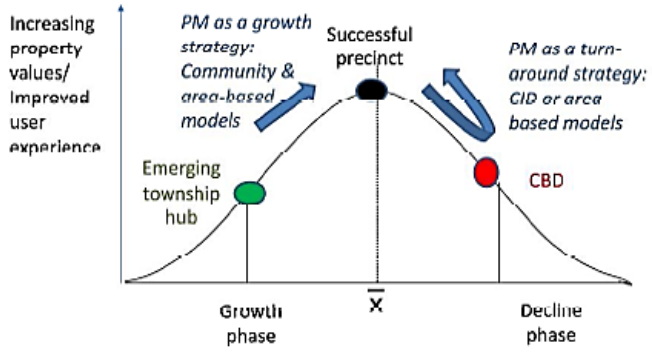
A service delivery charter is under preparation to articulate the service levels applicable to all services and to ensure a commitment from the relevant Departments. This Charter will form part of a Customer Relations Strategy and is intended to be supported by a compatible and integrated CRM module of the current ERP system.

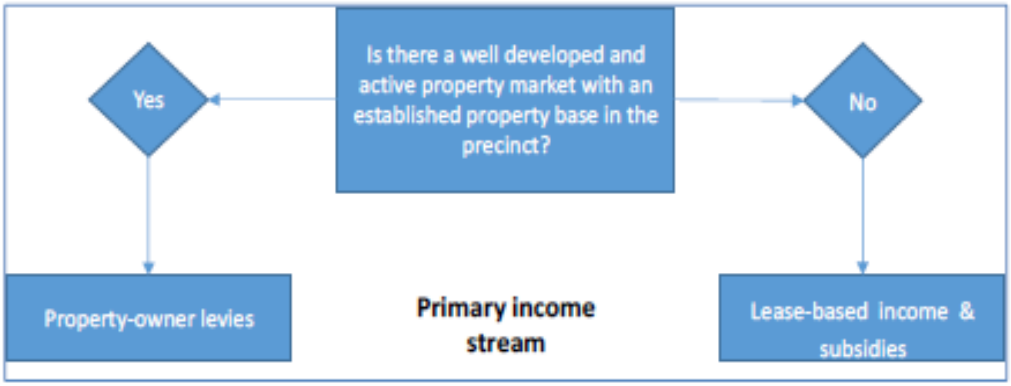
The full listing of nodes, in accordance with the Urban Network strategy, in the 2 categories of concern are as shown below:

Emerging Township Nodes	Declining CBD Nodes
KwaMashu	Durban
Umlazi	Pinetown
Inanda	Amanzimtoti
Ntuzuma	Verulam
Clermont	Tongaat
Lamontville	Isipingo
	Umkomaas

The UNS recognises that the above 2 categories of nodes will require support in the form of subsidisation to bridge the gap between the base services provided by the City & the top up services that are affordable to the property owners within the SRA, as reflected in an approved business plan, and the levels of service required to make a positive difference on the ground. This is the essential difference between emerging and declining nodes as compared to established nodes.

These realities are shown in the 2 figures below:


Increasing property values/ Improved user experience
PM as a growth strategy: Community & area-based models
Successful precinct
PM as a turn-around strategy: CID or area based models
Emerging township hub
CBD
Growth phase
X
Decline phase


Is there a well developed and active property market with an established property base in the precinct?
Yes
No
Property-owner levies
Primary income stream
Lease-based income & subsidies

Engagements have commenced with National Treasury to identify and address gaps in the regulatory framework to provide a more enabling regulatory environment for these initiatives.

The Durban CBD has only partial SRA/UIP coverage as shown in the diagram below and it is intended to prioritise the areas that fall outside of the UIP/SRA coverage including the beachfront.

Engagements have taken place with SAPOA which have resulted in the formation of an Urban Management Forum as well as the establishment of a Not for Profit Company to assist with the initiation and/or extension of existing SRA's. The priority currently is wall to wall coverage in the CBD.

A feasibility process dealing with the beachfront is well underway and National Treasury has agreed to fund two pilot projects in eThekwini. The locations of the two pilots are under discussion currently with the NDPG component within National Treasury.

In addition, discussions have commenced with property owners in Pinetown.

PART F – **Reporting**

PLANNED OUTCOMES

High Level / City-Wide Development Objectives and Desired Outcomes

After a period spanning two financial years, and involving the CSP and the Municipality, a set of 54 indicators has been developed to measure the achievement of the BEPP. They are grouped into four categories:

- Well-governed city;
- Inclusive city;
- Productive city; and
- Environmentally sustainable city.

For the 2017/18 BEPPs, cities are required to report on the baselines and set targets for 8 indicators and national is required to provide baselines for 9 indicators for which cities will need to set targets. These indicators are captured below.

The process to identify internal process drivers for each indicator, and to determine the baselines and targets for the range of KPIs began in 2016 and is continuing. The process has in many instances been slow as is often the case with new information that needs to be gleaned from the municipal system and where owners need to be identified to take responsibility for reporting on the new KPIs. This process has been further slowed due to a decision taken in late March to change the spatial extent of the Integration Zone which has meant that the calculations have needed to be re-done to determine baselines as well as targets. The outcome of all these factors is that many of the baselines and targets are yet to be completed. It is intended that these be completed during April and May 2017.

BEPP Indicator baselines and targets:

Code	Indicator Name	Baseline year	Baseline value	16/17 Target	16/17 Actual	17/18 target	18/19 target	19/20 target	20/21 target	City Contact person
IC1	New subsidised units developed in Brownfields developments as a percentage of all new subsidised units city-wide	2015/16	53%	60%		62%	65%	67%	70%	Mark Byerley
IC2	Gross residential unit density per hectare within integration zones	2011 or 2016 (dataset dependant)		Recent discussion to focus only on Prime Investment Corridor means re-calculation needed						Buddy Govender

IC3	Ratio of housing types in integration zones			Recent discussion to focus only on Prime Investment Corridor means re-calculation needed						Data element 1: Mark Byerley. Data Element 2: Mark Byerley. Data Element 3: Buddy Govender
IC6	% households accessing subsidy units in integration zones that come from informal settlements			Recent discussion to focus only on Prime Investment Corridor means re-calculation needed						Mark Byerley
IC7	Number of all dwelling units within Integration Zones that are within 800 metres of access points to the integrated public transport system as a percentage of all dwelling units within Integration Zones			Recent discussion to focus only on Prime Investment Corridor means re-calculation needed						Buddy Govender
WG13	Percentage change in the value of properties in Integration Zones	2012/13		Recent discussion to focus only on Prime Investment Corridor means re-calculation needed						Rakesh Ramlugan
WG7	Value of catalytic projects as listed in the BEPP at financial closure as a % of total MTREF capex budget value	2016/17								Catalytic Project Office-target setting. Kay Naidoo-generate values from Budget
WG8	The budgeted amount of municipal capital expenditure for catalytic projects contained in BEPP, as a percentage of the municipal capital budget	2016/17								Catalytic Project Office-target setting. Kay Naidoo-generate values from Budget
WG 11	Non-grant Capital as a Percentage of Total Expenditure City-Wide	2015/16	34.4%							Kay Naidoo

IC 9	Capital expenditure on integrated public transport networks as a percentage of the municipal capital expenditure	2015/16	40.7%							
IC 11a	% of learners travelling for longer than 30 minutes to an education institution	2015	17.0%							Logan Moodley
IC 11b	% of workers travelling for longer than 30 minutes to their place of work	2015	45.5%							Logan Moodley
PC 1	GVA of the Single Metro as a Percentage of National GVA	2015/16	93.0%							Ajiv Maharaj
PC 2	GVA per employed person for a single metro as a percentage of the national GVA per employed person	2015/16	129.0%							Ajiv Maharaj
SC 4	Green Drop Score	2013	90.6							Siobhan Jackson
SC 5	Blue Drop Score	2014	95.9							Siobhan Jackson
SC 6	Percentage of non-revenue water produced	2016	40.6%							Simon Scruton
SC 7	Non-revenue electricity as a percentage of electricity purchased	2015/16	5.0%							

Sector Development Outcomes and Outputs as per Sector Plans 2017/18

Each of the Eight IDP Plans has performance Indicators and budget. Sector Plans are unpacked into the Eight Plans. Plan 3 – Quality Living Environment, receives about 85% of the capital budget, and its KPIs and targets are shown below.

ITEM	MEASURE	UNIT
3.1. Integrated housing & interim services to informal settlements		
• The number of consumer units receiving fully subsidised housing	4988	No.
3.2. Rental and Gap housing strategy		
• New family units in hostels	98	No.
• Sale of Council rental stock	4500	No.
• Upgrade & refurbishment of units in R293, ex-own affairs, & Lamontville	600	No.
3.3. Address Infrastructure backlogs		
• Built Environment Performance Plan	100	%
• Additional consumers with access to a free basic level of Potable Water	10 000	No.
• Additional consumers with access to a free basic level of Sanitation	15 000	No.
• Additional consumers with new prepaid Electricity Connections	30 000	No.
• Additional consumers with new conventional Electricity Connections	8000	No.
• Additional consumers collecting free basic Electricity (65kWh/month).	1473252	No.
• Additional consumers with a once/week, kerb-side Refuse removal service	100	No.
• Municipal landfills in compliance with the Environmental Conservation Act	100	%
• Properties below the eThekwini level of service with Stormwater solutions	440	No.
• Sidewalks constructed	25	Km
• Unsurpassed Road converted to surfaced	10	Km
• Public Transport Ranks constructed	2	No.
3.4. Infrastructure asset management		
• Integrated Asset Management Plan Level 1	100	%
• Integrated Infrastructure Asset Management Plan Level 2 - All Sectors	100	%
• Demand management -The % of non-revenue water loss.	36.2	%
3.5. Implement an effective public transport plan for the Municipality		
• Detailed Design of Phase of the (IPTN) Project.	100	%
• Passengers using accessible scheduled public transport services	50,000	No.
• Passengers using scheduled public transport services	31 000,000	No.

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BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
BoP	Back of Port
CBD	Central Business District
CBO	Community-Based Organisation
CIF	Capital Investment Framework
CMDA	Cato Manor Development Association
CMPR	Central Municipal Planning Region
CRU	Community Residential Units
CSIR	Council for Scientific and Industrial Research
CSP	Cities Support Program
DCM	Deputy City Manager
D'MOSS	Durban Metropolitan Open Space System
DBSA	Development Bank of South Africa
DCM	Deputy City Manager
DORA	Division of Revenue Act
DPSA	Department of Public Service Administration
DSW	Durban Solid Waste
DTP	Dube Trade Port
DWA	Department of Water Affairs
EIA	Environmental Impact Assessment
EMA	eThekwini Metropolitan Authority
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
ETA	eThekwini Transport Authority
EWS	eThekwini Water Services
FAP	Functional Area Plans
FAR	Floor Area Ratio
GDP	Gross Domestic Product
HDA	Housing Development Agency
HPPTN	High Priority Public Transport Network
HSDG	Human Settlements Development Grant
IAMP	Integrated Infrastructure Asset Management Plan
ICDG	Integrated Cities Development Grant
ICT	Information & Communications Technology
IDP	Integrated Development Plan
ILO	International Labour Organisation
IMR	Infant Mortality Rate
INEPG	Integrated National Electrification Programme Grant
INK	Inanda Ntuzuma KwaMashu
IRPTN	Integrated Rapid Public Transport Network
ITP	Integrated Transport Plan
IZ	Integration Zone
KPI	Key Performance Indicator
KSIA	King Shaka International Airport

KZN	KwaZulu-Natal
KZNPGDS	KwaZulu-Natal Provincial Growth and Development Strategy
LED	Local Economic Development
LEFTEA	Less Formal Township Establishment Act
LUF	Land Use Framework
LUMS	Land Use Management System
MCPP	Municipal Climate Protection Programme
Metro	Metropolitan Municipality
MFMA	Municipal Financial Management Act
MSA	Municipal System Act
MTERF	Medium Term Expenditure and Revenue Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NDPP	Neighbourhood Development Partnership Program
NEMA	National Environmental Management Act
NGO	Non-Government Organisation
NHBRC	National Home Builders Registration Council
NHRA	National Heritage Resource Act
NMPR	Northern Municipal Planning Region
NMT	Non-Motorised Transport
MOF	Ministry of Finance
NPC	National Planning Commission
NSDP	National Spatial Development Perspective
NT	National Treasury
PPF	Project Preparation Facility
PPP	Public-Private Partnership
PPT	Project Preparation Trust
PSP	Professional Service Provider
PTIG	Public Transport Infrastructure Grant
RFP	Request for Proposals
ROI	Return on Investment
SCM	Supply Change Management
SCM	Supply Chain Management
SDBIP	Service Delivery Business Implementation Plan
SDF	Spatial Development Framework
SDP	Spatial Development Plan
SEZ	Special Economic Zone
SIP	Strategic Infrastructure Projects
SMME	Small, Micro and Medium Enterprises
SMPR	Southern Municipal Planning Region
SOE	State Owned Entity / Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
TEU	Twenty Foot Equivalent
UN	Urban Network
UNS	Urban Network Strategy

USDG	Urban Settlements Development Grant
WMPR	Western Municipal Planning Region
WSA	Water Services Authority
WSDP	Water Services Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Work